

# The Department of State

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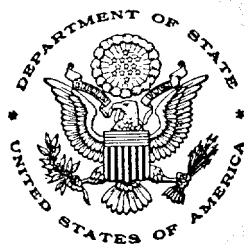
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April 5, 1954



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| INTERNATIONAL EDUCATIONAL EXCHANGE PRO-<br>GRAM • <i>12th Semiannual Report</i> . . . . .              | 499 |
| ALLIED EFFORTS TO RESTORE FREEDOM OF<br>MOVEMENT IN GERMANY • <i>Texts of Correspondence</i> . . . . . | 508 |
| JAPAN'S PROGRESS AND PROSPECTS • <i>by Deputy Under Secretary Murphy</i> . . . . .                     | 513 |
| MUTUAL DEFENSE ASSISTANCE AGREEMENT<br>WITH JAPAN . . . . .  | 518 |
| INTERNATIONAL COPYRIGHT PROTECTION • <i>Statement by Thorsten V. Kalijarvi</i> . . . . .               | 530 |

*For index see inside back cover*



# *The Department of State* bulletin

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## The International Educational Exchange Program

### AN APPROACH TO A PEACEFUL WORLD ON A PERSON-TO-PERSON BASIS

*Following is the text of the 12th semiannual report of the International Educational Exchange Program of the Department of State, which was transmitted to the Congress on March 22.<sup>1</sup>*

#### LETTER OF TRANSMITTAL

To: *The Honorable the President of the Senate  
The Honorable the Speaker of the House of Representatives*

SIRS:

Pursuant to Section 1008 of Public Law 402 (80th Congress), I transmit herewith the 12th semiannual report of the International Educational Exchange Program of the Department of State. This report reviews exchange activities carried out under authority of this act during the period July 1–December 31, 1953.

Previously, reports on educational exchange activities were included in the semiannual reports of the former International Information Administration. However, under President Eisenhower's Reorganization Plan No. 8,<sup>2</sup> effective August 1, 1953, international educational exchange activities and information activities were separated. The educational exchange program was retained in the Department of State and an independent agency created to administer information activities under the act.

This report on educational exchange activities administered under the act is therefore submitted separately by the Department of State.

Very truly yours,

JOHN FOSTER DULLES  
*Secretary of State*

THE DEPARTMENT OF STATE,  
*March 15, 1954.*

<sup>1</sup> Also available as Department of State publication 5409.

<sup>2</sup> For text, see BULLETIN of June 15, 1953, p. 854.

#### FOREWORD

The International Educational Exchange Program was born of a faith and a conviction.

It was faith in the democratic system, in the American way of life. It was conviction that the sharing of ideas through direct personal experience would strengthen genuine understanding and mutual respect basic to the security of the free world.

Today that security is threatened. The Communists are trying to convince the peoples of the world that international communism, not democracy, is the answer to their problems. Other anti-American forces are sowing mistrust of our motives.

The Educational Exchange Program has proved that it is a sound antidote. It is building up a receptive climate of public opinion overseas. In this atmosphere our actions, our motives, and our policies can be correctly understood.

As now constituted, the program has its legislative roots in the Smith-Mundt Act, the Fulbright Act, and a number of other pieces of special legislation.

An integral part of the Department of State, the program receives special policy guidance which makes it immediately responsive to sensitive world conditions. Through the conduct of this program the Department is able to carry out its leadership role, as desired by the Congress, in coordinating the exchange efforts of other U.S. Government and private agencies to further foreign policy objectives.

#### SCOPE OF PROGRAM

In the past year the International Educational Exchange Program arranged for 7,121 exchanges with over 70 countries of the free world.

Two-thirds of this total was a carefully selected group of people from other countries who came to the United States to study, to teach, to lecture, to carry on specialized research, or to gain actual work experience.

They were young people, such as the deputy chief of the Legislative Reference Service of the Government of India, who this year completed work on his Ph.D. in public administration at American University. They were teachers, like the director for a number of rural schools in Cuba, who observed educational methods in our schools. Another group included current leaders of thought and opinion—newsmen, government officials, members of national legislative bodies, labor and business leaders, and social workers. Because of duties back home, many of this latter group stay in the United States only a brief period, usually not more than 3 months.

The other third of the exchanges were Americans who went abroad to study, teach, lecture, or do research. They represented all of our 48 States. Some are holding conferences on American studies or teaching English as a foreign language to meet the growing interest overseas in American life. Others are specialists, like the Labor Commissioner of the State of Wyoming or the Chief Justice of the State of Nebraska, who are helping to correct many distorted conceptions of American life, not only in professional and academic circles but among workers in the factories, farms, and mines.

Many of these exchanges were planned within the framework of projects to meet special situations in different countries. For example, in Korea a group of American educators is helping Korean teachers and school administrators to reestablish primary and secondary schools with an up-to-date curriculum. Groups of newsmen from NATO countries are seeing our defense efforts at firsthand, within the setting of our national life.

Efforts are made to keep the exchange program flexible enough to meet other immediate needs. For example, shortly after the President's proposal to the United Nations on the peaceful uses of atomic energy, the Department developed a panel of top-flight experts who will be available to lecture overseas on American uses of atomic energy for peaceful and humane purposes.

In addition, 384 impressionable young people in 12 countries were given scholarships to study in American-sponsored schools overseas. These institutions, like the American Farm School in Greece and the American University of Beirut, have long been recognized as a bulwark of American influence in the Near East.

Twenty-two American-sponsored schools in the other American Republics were given small cash grants, and 208 similar schools received professional guidance and other services to help them to maintain American standards of teaching and school administration. These schools, recently

praised so highly by the Danish people, however, have educated over a million Latin American children. As the American Ambassador to Guatemala pointed out, they are "training a generation of young people who will, through their education, have achieved strong ties with and a basic understanding of the United States."

The Department also helped 311 other exchange projects. Through these projects more than 1,886 exchanges were arranged which furthered the Department's objectives at no cost to the United States Government.

Expenditures under the Smith-Mundt Act for exchanges were relatively small, \$8,011,043, considering the scope of the program. However, without these funds the Department would have been unable to make full use of approximately \$8 million in private support or \$9 million in foreign currency available under the Fulbright Act.

## RESULTS OF PROGRAM

It must be assumed that the full results of exchange experience are a matter of cumulative impact. All exchanges also have an immediate result. There was, for example, the Japanese legislator who told his countrymen:

I realized from this trip that the essential difference and disagreement between Communist Russia and the United States is that the former represents a way of life by *compulsion* and the latter a way of life which is based on and derives its strength from voluntary processes. The American way is just and proper for human society.

Or as a European specialist put it:

I had always been afraid of Russian imperialism. Not however until I visited your country did I learn to believe in the United States as a supporter of all the good and culture-supporting ideas. If you invite people from other countries to visit the U.S.A., you can make your passive friend your active ally.

Such examples are almost endless. In Copenhagen a returned Danish teacher, Otto Breinholt, is conducting evening classes for adults entitled "U.S.A., Community and People" and "Aspects of Life Expressed in American Literature."

A Latin American newspaper editor wrote over 80 feature stories, highly favorable, about his experience in the United States. They were given front page space and followed up by a lecture tour.

Thorarinn Thorarinsson, editor of a daily paper in Iceland, has launched a one-man campaign to explain the necessity for American troops in Iceland. He reminds his readers that as early as 1920 Lenin had noted the importance of Iceland in time of war. He has stated, "All Communist actions indicate that they intend to conquer the world and dominate it." He refuted charges of "imperialism" in the United States. He told his countrymen that, by not cooperating in the build-

ing of free world defenses, they were working against the prospect of peace.

On the other side of the world, a Far Eastern grantee is making it his business to place publications and other material about the United States in the schools in his area. And this is an area where the Communists are especially active.

The program is also strengthening our ties with the free world by sharing our knowledge and building up skills which are of mutual benefit to the United States and other countries. Bai Matapai Plang, a Moro princess from the Philippines who studied social work in the United States, established an Institute of Technology in Mindanao modeled upon courses at Berea College in Kentucky.

An Indian who studied industrial relations in the United States was solely responsible for organizing the Division of Industrial Relations at the Tata Institute in Bombay.

Dr. Emmanuel H. Phuoc, leading dental surgeon in Indochina, organized a schedule of United States information films in his spare time. This particular former visitor to the United States keeps up his membership in the American Dental Association and has organized a similar group in Viet-Nam as well as a free medical and dental clinic where American methods have been introduced.

A husband and wife team, Emir Birjandi and his wife Parvin, studied at the University of Wisconsin. They took what they learned back to their native village of Tabas, Iran, with such good results that Tabas is becoming the pattern of a widely extended Iranian village improvement system.<sup>3</sup>

Americans who have gone abroad under the International Educational Exchange Program have accepted seriously the responsibilities of the trust placed in them.

Richard J. Coughlin, an exchange student in Thailand, wrote that he had "visited about 125 different homes, both Thai and Chinese . . . In most cases I was the first Westerner, and certainly the first American, to have entered their homes. My reception was in all instances exceptionally friendly. . . . I would judge that this was one of the few ways these people had to get the American point of view."

In Austria an American teacher, Harold Grothen, gave 103 lectures on American education and life in a small town to 4,700 people in 36 different towns and villages—and this in addition to his regular classroom teaching.

American Negro sociologist Joseph H. Douglass was able, by his own example and by his talks in Egypt, to clear up many false ideas about the

position of his race in the United States. He told his audience that our country "is truly one in which countless individuals . . . Negro, Catholic, Jew, Oriental . . . through hard work and application can and do achieve happiness and relative measures of success and that, despite attitudes to the contrary, bonds of friendship extend across racial and cultural lines."<sup>4</sup>

Greek newsmen were so interested in Dean Kenneth Olson's workshops to help them with their problems that the group had to meet in the great Parliament Hall in Athens to accommodate all who wished to take part.<sup>5</sup>

No wonder indeed that a survey by *Time* magazine revealed that cabinet ministers in 54 countries considered the exchange program the most effective medium yet devised for the free exchange of ideas.

Backing up these individual examples are scientific evaluation studies which show that the exchange experience helps foreign grantees to

- lose unrealistic or stereotyped views of American life;
- obtain a more favorable view of the motives behind American foreign policy;
- report more favorably and actively, on their return, to their countrymen.

Americans gain and share with their fellow citizens

- wider understanding of the political, economic, and cultural life of other countries;
- increased knowledge and appreciation of our own international problems;
- extensive professional benefit.

These findings were supported by the report of the Hickenlooper subcommittee,<sup>6</sup> which stated that—

Exchangees often are or may become prominent in government, business and the professions and their potential impact on attitudes toward this country is considerable. The program enjoys a high prestige both at home and abroad and is therefore able to attract the voluntary participation of leading citizens.

#### DEVELOPMENT AND COORDINATION OF PROGRAMS

Foreign Service posts throughout the world alert the Department as to the size and character of programs needed to meet particular situations. Each post coordinates its exchange plans with similar efforts developed by public and private groups for that country. These recommendations

<sup>4</sup> *Ibid.*, November–December 1953 (Department of State publication 5232), p. 8.

<sup>5</sup> *Ibid.*, September–October 1953 (Department of State publication 5162), p. 22.

<sup>6</sup> *Overseas Information Programs of the United States*, S. Rept. 406, 83d Cong., 1st sess.

<sup>3</sup> For an account of their work, see "Rural Development in Iran," Department of State *Field Reporter*, January–February 1953 (Department of State publication 4874), p. 13.

are then reviewed by the International Educational Exchange Service in consultation with the appropriate political bureaus of the Department.

The U.S. Advisory Commission on Educational Exchange provides overall policy advice and guidance.

Exchange proposals from binational U.S. educational foundations and commissions in countries participating in the program authorized by the Fulbright Act are reviewed by both the Department and the Board of Foreign Scholarships appointed by the President.

A constant effort is also made in this country to coordinate exchanges with other U.S. Government and private programs. The Department was instrumental, for example, in setting up an Inter-Agency Committee on Training Programs and Exchange of Persons. It has set up a program of joint instruction for overseas posts, standardization of allowances, and cooperative insurance programs.

Other measures initiated by the Department to insure teamwork and prevent duplication include an orientation and English language training program for certain incoming grantees of three major agencies—State, the Foreign Operations Administration, and Defense.

The Department has established a clearing house of information on all U.S. Government grantees. Working with the Institute of International Education, a similar clearinghouse established by the institute under a grant from the Ford Foundation, has been set up for exchanges under private auspices.

Coordination is maintained also between the exchange activities of the Department and the international information activities of the United States Information Agency. Procedures have been established for exchange of information in Washington. Overseas coordination is assured since the same staffs operate both programs. (The Department utilizes overseas personnel of USIA through a contractual arrangement with that Agency.)

#### **COOPERATION WITH OTHER EXCHANGE PROGRAMS**

The Department works closely with reputable private groups here and abroad and with international organizations and foreign governments in carrying out projects sponsored by them that contribute to our Government's exchange objectives.

Typical of such projects was the placement in U.S. Government agencies and supervision of 92 United Nations fellows from 36 countries. The major subjects studied were economic development, public administration, and social welfare.

The Department cooperated with such groups as the American Field Service and the National

4-H Club Foundation in enabling 270 American and foreign students to live on farms and in communities of each other's countries.<sup>7</sup>

The Massachusetts Institute of Technology continued to receive help from the Department in its Foreign Student Summer project, under which 60 technical students from 35 countries were brought to the United States to study at MIT during the summer months.

The Department gave assistance in publicizing and facilitating the tours of American artistic groups such as the American National Ballet Theatre.

One of the Department's major activities in stimulating private exchanges comes under section 201 of the Smith-Mundt Act. This section eases visa difficulties for foreign nationals coming to the United States for bona fide educational purposes.

For example, before the act was passed, it would have been difficult to carry out the broad kind of exchange activity envisioned by the Eisenhower Fellowship Foundation. The before and after story of the trainee program sponsored by the American-Scandinavian Foundation illustrates this point. Previously, it was difficult for a trainee to obtain a visa that would permit on-the-job training and observation. In addition, each trainee had to provide financial and other personal guaranties. In the face of this discouragement, the program came to standstill. After the act was passed, the foundation was able to provide the necessary guaranties for all trainees it sponsored and to qualify as a program that would contribute to the objectives of the act. Today the foundation is bringing in over 500 trainees annually for training in American industry and commerce.

By approving these programs, the Department helps American industrial, educational, medical, and other groups to bring foreign nationals to this country for limited periods of time. Since July 1, 1953, 195 exchange programs were designated or amended, bringing to 1,702 the total number of programs under which foreign nationals may be currently admitted to this country for exchange purposes. Hospitals and clinics are the major users of this service at the present time, with educational institutions and industrial concerns next in order.

Another exchange activity, involving no U.S. Government funds, is the assignment of American specialists and the performance of technical services under sections 301 and 402 of the Smith-Mundt Act. During the past 6 months a total of \$282,000 was advanced by Japan, Spain, Australia, Thailand, Singapore, and Saudi Arabia for carrying out such services.

A bacteriologist and sanitary engineer was assigned to Japan from the U.S. Department of Health, Education, and Welfare. He will advise

<sup>7</sup> *Field Reporter*, January-February 1953 (Department of State publication 4874), p. 22.

on sanitary measures in the processing and marketing of frozen clams for export. At the request of the Government of Singapore, the Department arranged for the U.S. Bureau of Reclamation to test soil samples. The Department of Agriculture produced a quantity of guayule seeds for Spain. Continued assistance was provided Australia and Thailand in developing the Snowy Mountains Hydroelectric project and the Chao Phay River Dam. In connection with the latter project, arrangements were made to train 10 Australian and 2 Thai engineers.

## THE PROGRAM AROUND THE WORLD

### In Europe

The friendship between the United States and the nations of free Europe is well established. There are, however, in all of the European countries, and particularly in several, groups either hostile to the United States or ignorant of American ways. The Kremlin makes a constant effort to use these groups in its efforts to divide the United States and its European allies.

Since July 1, 1953, the Department has brought 3,738 Europeans to this country and has assisted private groups in bringing over an additional 466.

These exchanges include, for example, such individuals as the General Secretary of the Central Federation of Finnish Trade Unions, the President of the Swedish Social-Democratic Youth Federation, and such other key figures as influential newsmen, members of national legislatures, and government officials.

The carrying out of exchanges within the framework of projects to accomplish specific objectives has been particularly effective in Europe.

The influence of groups of NATO newsmen who have returned home show this. For example, they have written favorable articles appearing in over 150 major European newspapers, with a circulation of several million readers. Their accounts have been carried by many European radio and television networks, wire services, and magazines.

Typical of a project designed for a specific country was the visit of nine Cooperative Community Action Teams from Germany. These teams, composed of community leaders from German towns, visited comparable American communities, participating in community activities and interviewing community officials.<sup>3</sup>

Upon their return home these teams found many ways to explain the United States to their fellow citizens. For example, members of a team from Muenster, Germany, since their return, have given 75 talks to their townsmen. They have proposed plans for the administrative reorganization

of the city along the lines of American advances in city planning and administration. In addition, they have recommended the inclusion of American studies in the schools and the establishment of a Muenster-American Circle. The purpose of the latter will be to maintain continuing contacts between Muenster and the American cities visited by the team.

Rich dividends have also resulted from the Conferences on American Studies held in Norway, the Netherlands, and the United Kingdom. These meetings centered around such themes as "The U. S. in the Atlantic Community," "The American Labor Movement," and "American Literature." Prominent American lecturers led these discussions, in which foreign university faculty members, teachers, students, and many others participated. Many of the foreign participants came with serious reservations as to whether this would be a propaganda stunt on the part of the Americans. Nearly all of them ended up by praising the conferences and asking for more.

Among the 1,468 American exchange students now in Europe are 917 American students, who have entered into student and university circles in 13 countries, forming an important link between the United States and European youth groups. These students were carefully selected through wide and stiff competitions, stressing personality and emotional suitability as well as professional competence.

American specialists assigned to Europe included the Labor Commissioner of the State of Wyoming, who went down into mines accompanied by members of local labor organizations and out into the fields to talk with workers about their problems. He was given a good press everywhere except in Communist papers.

The Department was also active in encouraging and supporting the visits to Europe of privately sponsored American groups and individuals whose trips would contribute to exchange objectives. Among these were the American National Ballet Theatre, the New York City Ballet, and selected American musical groups and individual artists. They are creating a new respect for American artistic achievement in areas that have long regarded this country as lacking in cultural values.

The ballet was so completely successful that the Communist press, which habitually derides American artistic attainments, was forced to give favorable reviews. Other critics highly praised the performances and described the development of ballet in America from an essentially European art into a uniquely American form today on par with the best Europe has to offer.

The potential effect of the Department's exchange efforts in this area may be gaged by studying past exchanges. For example, evaluation studies in one large European country show that

<sup>3</sup> *Ibid.*, July-August 1953 (Department of State publication 5106), p. 18.



former grantees definitely hold more favorable views of the United States than persons who have not visited this country. Furthermore, such grantees are convinced, on the whole, of the soundness of America's foreign policy.

The exchange experience has also often enhanced the grantee's position as an opinion leader. A measure of this influence, in the country concerned, was seen in recent elections, in which 70 of those reelected and 25 of those newly elected to the national legislature were former grantees.

Many European government and private agencies are reciprocating U.S. exchange efforts by inviting Americans to visit their countries. Recently, for example, the German Government invited 48 American experts in the fields of religion, welfare, and local government to tour Germany at that Government's expense. German and Austrian families have opened their homes during summer months to American teen-agers in acknowledgment of the German and Austrian teenage program conducted by the Department, under which 2,000 youths have lived with American families and attended local high schools since 1949. Other countries offering scholarship opportunities to Americans include the United Kingdom, France, the Netherlands, all the Scandinavian countries, and Italy.

#### **In the Near East and Africa**

More than 900 exchanges were carried out with 26 countries in this area during the last 6 months. Embracing critical African, Near Eastern, and South Asian countries, this area is characterized by extreme nationalism and strong antiforeign attitudes. The exchange program has helped to develop local leadership and to inspire that leadership with confidence in the United States. For example, Aref ben Musa, now in the Libyan Ministry of Foreign Affairs, interviewed by Tripoli's only Arab newspaper upon his return, talked of impressions gained while in the United States as an exchange student. Among other things, he said, "I was able during my stay in the United States to study and know the American people and their various aspects of life, their democratic spirit which they display at all times." He spoke of the "generosity of American families," the "brotherly atmosphere of cooperation in the United States," and the way "the individual relies upon his personal ability for his position in society."

An important part of the exchange program in this area is the bringing over of young persons between the ages of 25 and 35 to study in American colleges and universities. Most of these students were active professional leaders in their home countries at the time they received their invitations—doctors, lawyers, government officials. What the American experience can mean to them is demonstrated by an evaluation study conducted

in a representative Near Eastern country. This study, which included student interviews before, during, and after their trips, showed that largely derogatory attitudes toward the United States were transformed into favorable concepts of this country as a friendly, democratic, hard working Nation interested in the life and problems of other countries.

The Department also brought over many outstanding opinion leaders. In cooperation with Princeton University and the Library of Congress, the Department invited 35 eminent Muslim scholars to a "Colloquium on Islamic Culture in Its Relation to the Contemporary World." Delegates from Egypt, Turkey, Lebanon, Syria, Jordan, Yemen, Iran, Afghanistan, Pakistan, India, Malaya, and Indonesia met with American scholars who have specialized in the history and culture of the Islamic world. Maximum public information was given overseas on this event by the U.S. Information Agency.

Plans have been made to bring over a group of Southeast Asian journalists under a project which has as its primary objective a demonstration of the way in which responsible newspapers can contribute to the economic, cultural, social, and political development of a democratic society. In addition to attending a seminar arranged by the American Press Institute of Columbia University, these newsmen will tour the country to get an objective view of American life and institutions and an understanding of some of our problems. Grants have been given also to individual educators from India, Thailand, Greece, Iraq, and Pakistan to enable them to participate in a 6-week seminar on higher education at the University of Chicago.

Among the American lecturers visiting this area was Dr. Roy G. Blakey, an economist, who, in addition to developing courses in public finance and taxation for college students, served as consultant to the Turkish Ministry of Finance. Another was Mrs. Dolores M. Carter, a lecturer in dietetics who organized and put into operation in Afghanistan a program of instruction in nutrition, sanitation and health, home nursing, and infant care.

The Department also encouraged and supported the exchange of 101 persons with this area sponsored by private American and foreign groups. A recent trend among these exchanges was the interest of American students in visiting India and other Southeast Asian countries. This increased interest is attributable to a group of American students from the University of Southern California, who carried out a plan that they entitled "Project India." They lived and worked with Indian students for 3 months in attempting to correct misunderstandings about American life. The Department also cooperated with the U.S. National Student Association in arranging the visits to this country of five outstanding Arab



youth leaders. It assisted selected student advisers from American universities in tours of Middle East countries to survey educational needs and to renew contacts with returned foreign students. It facilitated the tour to 10 Near Eastern countries of a group of American mayors and private citizens desiring to observe U.S. foreign aid programs and the work of the United Nations in rehabilitation and refugee problems.

#### In the Far East

This area is of the greatest importance. The natural resources of the Far East make it a rich prize in the eyes of the Communists. Nor is its strategic importance overlooked. As Lenin once said, "the road to Paris is through Peking." Therefore, the anti-American pressure by the Communists in the Far East is continuous and strong.

The personal approach through exchanges makes it possible for these people to obtain a true picture of America. It allays suspicion and inspires cooperation.

The 774 exchanges carried out in the Far East include those with the new nations of Indochina, Malaya, and Indonesia. The programs emphasize our desire to share our achievements rather than to impose our way of life.

In one country the exchange program concentrated on bringing over officials from one of the more important ministries, not only because of their far-reaching influence at both national and local government levels, but as directors of government publications, motion pictures, radio, and other information activities.

From the Philippines came a group of youth leaders, who toured the United States learning about American youth activities and the role they play in our national life. A group of labor leaders came from Japan to study the labor movement in the United States, first by participating in a specially arranged seminar at an American university and later by working directly with union locals.

Individual exchanges included specialists such as the Public Health doctor from Ceylon concerned with the control of certain tropical diseases, now receiving specialized training at the U.S. Public Health Service; a member of Parliament and chairman of a finance committee in Burma; an editor and publisher from Thailand; and important government officials from critical Indochina.

Plans were also made for a two-way "Representative Government Project" in Japan, under which groups of Japanese students will pursue special programs in this field at American universities, and a seminar will be held in Japan by prominent American lecturers and specialists. Five hundred Japanese educators and government

officials at both the national, prefectural, and municipal levels will participate in this seminar.

A special exchange project was planned for Korea under which a past president of the American Bar Association and a dean of a law school in a large southwestern university will conduct a legal institute for Korean judges, prosecutors, and lawyers.

Among the 104 Americans to visit this area was Anna Lord Straus, a former United Nations delegate, who is influential among Far Eastern women's groups, speaking on the subject of each individual's responsibility for good local and national government.

Other visitors included a labor leader and a pioneer in the development of the television industry who, together, discussed good labor-management relations and industrial research under the free enterprise system.

Among the particularly effective tours of private groups to this area was the visit to Japan of the New York Giants. The Department cooperated with American baseball officials in coordinating the tour, arranging through Foreign Service posts for advance publicity and other assistance.

The Japanese are avid baseball fans and responded in large numbers to see the Giants in action against a Japanese team. Perhaps the most significant tribute to the Giants and their performance in Japan was the total absence of any Communist propaganda or unfavorable comment. The presence on the team of some Negro players was noted as an indication of racial equality. Widely and favorably reported was the message of President Eisenhower which Baseball Commissioner Ford Frick brought with him.

Altogether, the Department assisted 50 groups in exchanging 111 persons with the Far East during this period.

The Department also administers a program of emergency aid to Chinese and Korean students and scholars stranded in the United States. As self-support became impossible for the majority of these persons, grants were awarded to enable them to reach their educational objectives in this country. Carried out under authority of Public Law 535, 81st Congress, this program reached its peak during the 1950-51 academic year. It has been declining steadily since that time. Regulations promulgated by the Attorney General in 1951 under Public Law 535 enabled these grantees to seek employment in the United States. The Department has since encouraged private groups and individuals to employ Chinese grantees aided under the program until it becomes practicable for them to return to their home country. During the last 6 months, 182 Chinese students and scholars were assisted as compared with 2,400 during the 1950-51 academic year.

The China Aid Act was amended in 1951 to provide Korean students with similar benefits, with the exception that Koreans may not remain

and accept employment in the United States. This is in accordance with Department policy and with the strong recommendation of the Korean Government that Korean students return immediately to help in the rehabilitation of their country upon completion of their studies. Thirty-two Korean students have been assisted under this program, 11 of whom were aided within the past 6 months.

#### **In the Other American Republics**

Recognizing that the inter-American system must be founded on mutual knowledge, understanding, and respect, the person-to-person approach of educational exchange was determined in 1938 to be one of the most direct ways to achieve this. The cooperation and mutual respect which now characterize our relations with Latin American countries stem in large measure from the cumulative effect of personal contact afforded by exchanges over a period of 15 years. An intensive study conducted in Brazil, for example, by an independent research organization concluded that among the major effects of the exchange experience are a higher regard for the North American people, greater conviction that the United States is a true democracy, and an increase in the belief that we are doing more than any other nation to prevent war.

It is nevertheless necessary to recognize that today anti-U.S. propaganda is making a determined effort in Latin America to capitalize on every motive for misunderstanding. Communist propaganda is making special use of the Soviet's own kind of exchange of persons program, which includes invitations to influential Latin American figures in press and labor circles for "guided tours" behind the Iron Curtain.

The Department is now carrying out nearly 200 exchanges with 22 countries in this area. Among the 35 Americans who visited Latin America recently with Hilton R. Hanna, a labor leader, who met with all levels of workers and management, stressing—in excellent Spanish—the theme of good labor-management relations for expanding production.

The visit of this eminent American Negro prompted one high union official to reexamine anti-U.S. propaganda in regard to race relations and to seek help from the local U.S. mission in getting the facts on the Negro in America.

An American economist served as consultant to a Central American government and lectured on economics at a university. An American professor furthered the establishment of a new Department of Library Science at a Brazilian university, meanwhile conducting, at the request of local government officials, a training program for librarians throughout the area.

In addition to the 72 Latin American students brought to study in American colleges and uni-

versities, grantees included 91 teachers, lecturers, and influential leaders, including the Chief Justice of Peru, the Ecuadoran President's assistant and liaison contact with the Ecuadoran Congress, and a Brazilian editor and radio broadcaster.

An important part of the program in Latin America is assistance to 230 nonprofit American-sponsored schools, representing a private investment of \$6,500,000. This program, recently praised highly by Dr. Milton Eisenhower, includes small cash grants and professional guidance on curricula and other services, amounting to \$132,250 this year. In spite of the small amount of money involved, the program has stimulated these schools to maintain U.S. standards of teaching and school administration.

Private groups carried out 632 exchanges in furtherance of the Department's exchange objectives in this area. For example, a group of Cleveland, Ohio, clubwomen made a tour of six Latin American countries, with the assistance of our Foreign Service posts and the Department. In the field of sports, the Department assisted an American baseball team to play a series of games with a Mexican team, and arrangements were made for players from Mexico and Cuba to participate in the Brooklyn Dodgers Baseball School in Florida.

The Department continued to assist a large number of Latin American students in arranging trips to this country. By way of illustration, arrangements were made for 63 engineering students and 3 faculty members from the National University of Colombia and 60 students from the University of Mexico to visit places of technical interest in the United States. The Department also assisted the National Education Association in arranging educational tours to Latin America for a large number of American teachers.

#### **PUBLIC SUPPORT OF PROGRAM**

##### **Participation of Private U. S. Citizens**

The cooperation of the American public has contributed substantially to the success of the exchange program. Hundreds of organizations and thousands of individuals have offered hospitality and professional guidance to these foreign visitors without remuneration.

American citizens who invite an exchangee "home for dinner" or into the family circle are playing a significant part in developing the objectives of the program.

Such hospitality is a two-way street in that it is frequently equally rewarding to the hosts. The word "foreigner" loses all alien connotations to the family where an exchangee has become a frequent visitor. Barriers of different cultures go down before this person-to-person contact. In

that contact, too, there are opportunities to clear up misunderstandings which, left uncorrected, at times mean the difference between a permanent friend of the United States and a resentful critic. There is the story of a young Chinese lad who complained to an American friend that the townspeople in the little village near his school "stared" at him. He was very unhappy about it. The American boy asked him, "Pal," he said, "what would the people do if I visited a little town in your country where they had never before seen an American?" The Chinese boy thought it over. "The children," he admitted laughing, "would chase after you yelling 'Big Nose'." The hurt was gone.

The financial support given the exchange programs by private individuals and groups has been substantial. For the 1953 program such support is estimated at \$8 million, given through scholarships and other assistance awarded in conjunction with Government grants.

An example is the cooperative arrangement developed for foreign newsmen to enable them to get work experience on American newspapers. These papers pay the expenses within the United States of the newsmen, while the Department provides international transportation. Now in its second year, this project has brought over 35 foreign newsmen to work on American newspapers in all parts of the United States. Also, over 1,000 local screening committees assist in recommending qualified American candidates and some 600 officials of educational institutions serve as student advisers in helping foreign students become adjusted to American college and campus life. Many similar services are performed by overseas groups in cooperation with our missions abroad.

#### Cooperating Agencies

The Department utilizes a number of public and private agencies to assist in carrying out the complex services involved in the program, such as, for example, scheduling and announcing competitions, processing and recommending candidates, orienting and supervising grantees, and evaluating program effectiveness. This is in accordance with section 1003 of the Smith-Mundt Act, directing the Department to utilize to the maximum extent practicable the services and facilities of private agencies.

Altogether, 36 such agencies are currently cooperating with the Department under contract. They were selected because of their particular competence in specialized exchange fields and include such agencies as the Institute of International Education, the United States Office of Education, the National Social Welfare Assembly, the Governmental Affairs Institute, the Conference Board of Associated Research Councils, and the American Council on Education.

## RECEPTION AND ORIENTATION

### Reception Centers

The Department, through its four reception centers (New York, Miami, New Orleans, San Francisco) helps to create a favorable first impression of this country. These centers make arrangements for meeting certain visitors at docks and airports, make arrangements for hotel accommodations and onward travel, and set up local contacts which further the purpose of their visits. Altogether, these centers assisted 5,003 foreign visitors during this period.

### Washington International Center

The Washington International Center provided 1,427 leader grantees with a week's intensive orientation course, including lectures, discussion groups, tours to points of historic interest, and visits to Washington homes.<sup>9</sup> These visitors also included grantees sponsored by the Foreign Operations Administration and the Department of Defense under a cooperative arrangement whereby the Department and these agencies share the cost of the center. The success of the program is due largely to the hospitality and other assistance provided by over 200 private Washington individuals and agencies.

### American Language Center

The language center provided English language refresher instruction to 137 grantees of the Department, the Foreign Operations Administration, and the Department of Defense, whose language proficiencies were inadequate to carry out their program. In the course of instruction, usually lasting 2 weeks or more, materials having to do with American government, social structure, and culture are used.

### University Orientation Centers

Orientation centers were established in 12 colleges and universities to provide an introduction to American life and the American system of higher education, as well as to give instruction in the English language to 544 foreign students as a preparation for their study in the United States. The Experiment in International Living also arranged for 116 additional students to live in American homes for 6 weeks during the summer months.

<sup>9</sup> *Ibid.*, September-October 1952 (Department of State publication 4714), p. 10.

## Allied Efforts To Restore Freedom of Movement in Germany

*Representatives of the United States, the United Kingdom, and France in recent weeks addressed identical letters to Soviet authorities in Germany proposing the removal of restrictions on freedom of movement within Germany.<sup>1</sup> Following are texts of the correspondence between Ambassador James B. Conant, U.S. High Commissioner for Germany, and Vladimir Semenov, Soviet High Commissioner for Germany, together with letters exchanged by Maj. Gen. Thomas S. Timberman, U.S. Commandant in Berlin, and Sergei Dengin, Berlin representative of the Soviet High Commissioner for Germany.*

### Ambassador Conant to Mr. Semenov, February 22

At the meeting in Berlin on February 18 of the Foreign Ministers of the U.K., U.S.A., France and the U.S.S.R., it was stated that the governments of the U.K., the U.S.A. and France had initiated a study of the steps that could be taken to lessen the hardships which result for the German people from the present division of Germany.<sup>2</sup> Although such steps are no substitute for the reunification of Germany and the conclusion of a peace treaty, which remain the objectives of its policy, the U.S. Government considers that it should be possible for the four occupying powers in Germany to reach immediate agreement on the elimination of a certain number of unjustifiable obstacles which still prevent freedom of movement between the different parts of Germany. The U.S. Government believes that the Four Powers could in this way bring about an immediate and essential improvement in the living conditions of all Germany.

I therefore propose to you that we shall agree that each of us should, as appropriate, take the following measures:

A. The abolition of the requirement for residence permits for Germans residing in the Federal Territory who desire to travel to the Soviet Zone. The maintenance of this formality in fact consid-

erably reduces the effect of the abolition of inter-zonal passes which was decided at the end of 1953.

B. The opening of the inter-zonal crossing points which have been closed by the Soviet authorities on various dates before the middle of 1952. I would remind you of the proposal on this subject made to you in my letter of January 8.<sup>3</sup>

C. The improvement of inter-zonal road and rail transport services including the introduction of fast rail services with improved passenger facilities between the principal cities of West Germany on the one hand and East Germany and Berlin on the other.

D. The removal of the prohibited zone, the barbed wire fences and all other barriers placed in the Soviet Zone along the Soviet Zone border.

E. The abolition of all controls and of all impediments to the free circulation of printed matter.

As regards Berlin, we should agree upon suitable methods for re-establishing more normal living conditions for the inhabitants of the city. In particular, I consider it necessary to reach decisions on the two following questions:

A. The abolition of all formalities *re* movement of persons between Berlin and the Soviet Zone.

B. The removal of all impediments to the free movement of persons and of goods between the Western sectors of Berlin and Western Germany; in particular the abolition of the requirement for the endorsement of *Warenbegleitscheine* [certificates for goods in transit] for such goods by the authorities of the Soviet Zone and the introduction of arrangements for the customs-free transit of such goods.

I shall be glad to meet with you at your early convenience to discuss these proposals.

If, as I hope, they are acceptable to you, technical discussions may be required concerning proposals B and C in paragraph 2 above. In that event I shall be prepared to furnish the names of the German technical experts authorized to deal with these matters in respect of Western Germany and I would be glad to obtain corresponding information from you.

<sup>3</sup> Not printed.

<sup>1</sup> For earlier correspondence on this subject, see BULLETIN of Sept. 21, 1953, p. 391, and Oct. 12, 1953, p. 490.

<sup>2</sup> Foreign Ministers Meeting: Berlin Discussions, January 25-February 18, 1954, Department of State publication 5399, p. 129.

I have authorized General Timberman to make contact with Mr. Dengin and to transmit to him a proposal dealing with the other restrictions which we wish to see eliminated in Berlin.

**General Timberman to Mr. Dengin, February 22**

In his letter of February 22 the United States High Commissioner has drawn Mr. Semenov's attention to the necessity of re-establishing more normal living conditions for the inhabitants of the city of Berlin. In particular he has expressed the desire that the four occupying powers should reach agreement on the removal of impediments to the freedom of movement of persons and goods between the Western sectors of Berlin and Western Germany and on the abolition of all formalities *re* the movement of persons between Berlin and the Soviet Zone.

In the same spirit and in order to eliminate all restrictions on freedom of communications between the four sectors of Berlin, I request you to agree that the following measures should be put into effect:

A. The abolition of police controls at the borders and of other forms of hindrance to the complete freedom of movement of persons throughout the city.

B. The removal of all street barriers between sectors.

C. The re-establishment of direct tram services throughout the city.

D. The re-establishment of the automatic city-wide telephone service.

E. The re-establishment of reliable and efficient postal services throughout the city.

F. The abolition of controls over and interference with the free circulation of printed matter, films and other cultural media throughout the city.

I am convinced that an agreement should be reached on these different proposals for the common good of the people of Berlin and am ready, for my part, to discuss with you without delay all the measures required to put them into force.

Should technical discussions be required concerning proposals C and D above, I am prepared to furnish the names of the German technicians authorized to deal with these matters for my sector and would be glad to receive similar information from you.

**Mr. Semenov to Ambassador Conant, March 6**

[Translation]

In acknowledgment of your letter of February 22, 1954 containing a proposal that the High Commissioners of the Four Powers in Germany examine certain problems concerning movement of the German population and goods across the demarcation line between Western and Eastern

Germany, economic and cultural and relations between the two parts of Germany, and other questions, I deem it necessary to state the following:

In the relations between Eastern and Western Germany there are a number of important problems the solution of which is an urgent matter for the German people who are interested in the bringing together of Western and Eastern Germany, in the development of economic and cultural ties between the German Democratic Republic and German Federal Republic.

Taking this into account, at the Berlin Conference of the four Foreign Ministers, after it had been made clear that it was impossible to effect agreement between the positions of the conference participants on basic questions regarding the unification of Germany and the conclusion of a peace treaty, the Soviet Government submitted for the consideration of the conference a proposal to recommend to the appropriate organs of Eastern and Western Germany the following:<sup>4</sup>

1. The creation of an all-German committee with the functions of effecting agreement and coordination in the spheres of trade, financial settlements, transport, frontier and other questions concerned with economic relations;

2. The creation of an all-German committee on problems of the development of cultural, scientific, and sport relations with the view of eliminating existing obstacles to the development of German national culture.

The creation of such all-German committees would best facilitate a solution of urgent internal German problems, since the settlement of these problems is the internal affair of the German people themselves.

There can be no denial of the great significance for the populations of both parts of Germany of the questions referred to in your letter as well as of other practical questions in the relations between Eastern and Western Germany. All-German committees could immediately decide such internal German questions in the interests of the populations of both parts of Germany without the interference of the occupation powers. Problems relating to the situation in Berlin could also be examined and decided by German authorities.

The establishment of the above-mentioned all-German committees would serve as an important contribution to the bringing together of Western and Eastern Germany and would facilitate the creation of conditions favorable for the unification of Germany.

The government of the German Democratic Republic has officially stated that it is agreeable to the immediate launching of negotiations for the creation of all-German committees. The Soviet authorities for their part are ready to give

<sup>4</sup> *Foreign Ministers Meeting*, p. 229.

April 5, 1954

509

all possible assistance to the creation and functioning of the above-mentioned all-German committees.

**Mr. Dengin to General Timberman, March 6**

[Translation]

Referring to your letter of February 22, I deem it necessary to advise you that in the letter of March 6 from the USSR High Commissioner for Germany to Mr. Conant it is pointed out that internal German problems could be successfully solved by all-German committees on economic and cultural relations between Eastern and Western Germany.

With regard to practical questions relating to Berlin, such questions could also be settled by appropriate representatives of the German authorities. Soviet authorities for their part will give every kind of assistance to the German authorities in the settlement of these questions. Toward this end, it is envisaged that the occupation authorities of the Western Powers will take immediate steps toward the normalization of the life of the Berlin population, and, particularly, will take appropriate measures for the liquidation of various criminal organizations, located in West Berlin and carrying on subversive work against the German Democratic Republic, on which the Soviet authorities have repeatedly queried the occupation authorities of the US, UK, and France.

**Ambassador Conant to Mr. Semenov, March 17**

I have received your reply of March 6, 1954, to my letter of February 22 in which I proposed to you that we should agree together with the British and French High Commissioners in Germany to eliminate immediately a number of unjustifiable obstacles which still prevent freedom of movement between the different parts of Germany.

I regret, however, that instead of replying positively to my proposals of dealing with the practical and urgent problems with which we are faced, you have confined yourself in your reply merely to repeating M. Molotov's proposal for all-German committees which was rejected by the three Western Foreign Ministers at the Berlin conference.

The matters covered by my proposal must continue closely to concern the four occupying powers until such time as the reunification of Germany takes place. None of these powers can rightly evade its responsibilities in that respect. It is, therefore, the duty of the four powers to secure the removal of obstacles to free movement of Germans between the different parts of Germany, and insofar as the continued existence of such obstacles is due to action or inaction on the part of the authorities in Soviet occupied territories, my government will continue to hold the

Soviet authorities responsible for this hindrance to further progress in the direction of German reunification. It is for this reason that I have requested you, in my previous letter, to inform me of the Soviet attitude towards the specific proposals which I have made and which I have offered to discuss with you.

It is clear that certain of the questions mentioned in my letter of February 22 require only unilateral decision and action by the authorities of the Soviet Zone. These are:

(A) The abolition of the requirement for residence permits for Germans residing in the Federal territory who desire to travel to the Soviet Zone;

(B) The removal of the prohibited zone, the barbed wire fences and all other barriers placed in the Soviet Zone along the interzonal border;

(C) The abolition of all formalities regarding movement of persons between Berlin and the Soviet Zone.

If, as I hope, the Soviet authorities share my government's desire to alleviate conditions which are oppressive to the German people, may I ask you to indicate to me at an early date that you are now ready to take steps to have the above measures put into effect?

With regard to the further proposals made in my letter of February 22, I suggest that, in every case in which we consider it useful, discussions should take place between German technical experts with a view to reaching practical solutions which, once they are agreed, should become effective without delay. I shall be ready, as I have already informed you, to furnish you with the names of the experts authorized to deal with these matters in respect of Western Germany who would then meet with corresponding experts to be nominated by you. If you agree with the foregoing, I suggest that the first step should be for us to meet in order to draw up terms of reference which would enable the discussions between experts to begin at once.

**General Timberman to Mr. Dengin, March 17**

I have the honor to refer to your letter of March 6, 1954.

In my letter dated February 22, I asked you to signify your agreement to put into effect six practical measures intended to eliminate restrictions on free communication between the four sectors of Berlin.

I regret to note not only that have you not thought fit to associate yourself with these practical proposals, but that you have evaded the real issues by repeating allegations, which are devoid of all foundation, about the existence in West Berlin of so-called espionage organizations.

You suggest, in your reply, that "appropriate representatives of the German authorities" should

consult together in order to resolve "the practical questions relating to Berlin".

I must in the **Approved For Release 2003/03/25 : CIA-RDP60-00442R000100140003-6** of the proposals which I made to you do not require any consultation or prior discussion of this kind. This is the case, for instance, with regard to the abolition of police controls and the removal of the barriers erected at inter-sector borders. There are at present in the U.S. sector no police controls on the movement of persons between the U.S. sector and the other sectors. As for the barriers erected at the inter-sector borders, all those which were formerly in existence in the U.S. sector have been removed long ago. The same steps have been taken in the British and French sectors. It requires therefore only a decision by the authorities of the Soviet sector in order to eliminate these obstacles to freedom of movement. I shall be glad to learn that you are ready to take the necessary steps to put such a decision into effect as soon as possible.

The solution of other questions mentioned in my letter of February 22 could, on the other hand, be facilitated by discussions between German technical experts who would make preparations for putting the proposed measures into effect. It was with this in mind that I offered to furnish you with the names of the experts authorized to deal with these measures with respect to my sector. I hope that you for your part will agree to nominate experts for the purpose of participating in such technical discussions, and I renew my proposal that we should meet together in order to draw up jointly the terms of reference required so that these discussions may begin without delay.

### **"Sovereignty" of East Germany**

*Statement by Lincoln White  
Department Press Officer<sup>1</sup>*

The reported proclamation [on March 25] of "full sovereignty" of the "East German Peoples Republic" is sheer façade. If these reports are true, the significant fact is the last one reported: That Soviet occupation troops would remain in East Germany. If those troops were removed, the entire puppet regime would collapse under the weight of the hatred and hostility of the populace which it has the effrontery to claim it represents.

### **Letters of Credence**

#### *Paraguay*

The newly appointed Ambassador of Paraguay, Guillermo Enciso Velloso, presented his credentials to the President on March 26. For the text of the Ambassador's remarks and the text of the President's reply, see Department of State press release 162.

<sup>1</sup> Made to correspondents on Mar. 25.

## **U.S. and Canada Examine Common Economic Problems**

### **Text of Joint Communiqué**

Press release 143 dated March 17

1. The first meeting of the joint United States-Canadian Committee on Trade and Economic Affairs was held in Washington on the 16th of March. The United States was represented by:

Hon. John Foster Dulles,  
Secretary of State  
Hon. George M. Humphrey,  
Secretary of the Treasury  
Hon. Ezra Taft Benson,  
Secretary of Agriculture  
Hon. Sinclair Weeks,  
Secretary of Commerce

Canada was represented by:

Rt. Hon. C. D. Howe, M. P.,  
Minister of Trade and Commerce, and Defence  
Production  
Rt. Hon. James Garfield Gardiner, M. P.,  
Minister of Agriculture  
Hon. Douglas Charles Abbott, M. P.,  
Minister of Finance  
Hon. L. B. Pearson, M. P.,  
Secretary of State for External Affairs

In addition to the members of the Joint Committee, Governor [Sherman] Adams, the Assistant to the President; the Honorable Douglas Stuart, United States Ambassador to Canada; and Dr. Gabriel Hauge, Economic Assistant to the President, participated in the discussions.

2. The purpose of the meeting was to provide an opportunity for United States and Canadian Ministers to examine the trade and economic problems that are common to both countries.

3. The Ministers noted that the flow of trade between Canada and the United States is greater than that between any other two countries. They discussed various aspects of present trade relations and agreed on the desirability of avoiding any action which would interfere with this trade from which the two countries derive such great benefits.

4. Since the common economic problems of Canada and the United States can be solved with greatest success in a world where the volume of trade is steady and increasing and where exchange arrangements are of a kind to facilitate such growth, consideration was given throughout the discussions to the need for action toward freer trade and payments on a broad front. It was agreed that few things would contribute more to the well-being and stability of the free nations of the world than a forward move in this direction. The need for such progress seemed all the greater at a time when many Western countries are faced with the necessity of supporting effective defense programs over a long period.

5. The United States and Canadian Ministers found encouragement in many of the economic



6. In the meantime, it was agreed that it is essential that pressing, but possibly temporary, economic problems should not be solved by expedients which might make more difficult the advance on a broad front that was held to be necessary. One immediate problem which received close consideration was that raised by the accumulation of large agricultural surpluses. Special incentives and favorable weather conditions have operated in varying degrees to enlarge these surpluses. The Ministers of both countries recognized that if surpluses were to be disposed of without regard to the impact on normal trade, great damage might be done not only to the commerce of Canada and the United States but also to the world economy. The Ministers reaffirmed that it is the continuing policy of their respective governments, in disposing of agricultural surpluses abroad, to consult with interested countries and not to interfere with normal commercial marketings. They stated that it is their settled intention that any extraordinary measures that might be adopted to reduce surpluses should result in greater consumption and should augment, and not displace, normal quantities of agricultural products entering into world trade.

7. In advancing toward a freer system of world trade and payments, it was agreed that existing international organizations would continue to play an important role. The valuable work already done by the International Monetary Fund, the International Bank, and the Contracting Parties of the General Agreement on Tariffs and Trade, was recognized. Ministers noted with satisfaction the arrangements which have recently been made within the Fund to enable its resources to be used more effectively. Acknowledgment was also made of the useful service that has been performed by GATT in developing a code of commercial conduct and in providing a forum where

and where the problems of commercial policy could be discussed.

8. It was appreciated that it is for countries whose currencies are now inconvertible to decide when and under what circumstances they might wish to make them convertible. It was also realized that enlightened economic policies on the part of the United States and Canada will materially contribute to establishing and maintaining broader freedom of trade and payments throughout the world. Because of the importance of that objective, the United States and Canadian Ministers warmly welcomed the evidence of a desire in many countries to take decisive steps toward the restoration of a broad area of convertibility, and expressed a willingness to do their part to help in making such a movement successful.

9. The discussions at this meeting of the Joint Committee were marked by the friendliness and candor which are characteristic of relations between the two countries. At the invitation of the Canadian Ministers the second meeting of the Joint Committee will be held in Ottawa.

## U.S. Views on Situation in Indochina

*News Conference Statement by Secretary Dulles*

Press release 154 dated March 23

I do not expect that there is going to be a Communist victory in Indochina. By that I don't mean that there may not be local affairs where one side or another will win victories, but in terms of a Communist domination of Indochina, I do not accept that as a probability.

There is a very gallant and brave struggle being carried on at Dien-Bien-Phu by the French and Associated States Forces. It is an outpost. It has already inflicted very heavy damage upon the enemy. The French and Associated States Forces at Dien-Bien-Phu are writing, in my opinion, a notable chapter in military history. Dien-Bien-Phu is, as I say, an outpost position where only a very small percentage of the French Union forces is engaged and where a very considerable percentage of the forces of the Viet Minh is engaged.

Broadly speaking, the United States has, under its previously known policy, been extending aid in the form of money and materiel to the French Union Forces in Indochina. As their requests for materiel become known and their need for that becomes evident, we respond to it as rapidly as we can. Those requests have assumed various forms at various times. But I think that we have responded in a very prompt and effective manner to those requests.

If there are further requests of that kind that are made, I have no doubt that our military or defense people will attempt to meet them.

As soon as this press conference is over, I am meeting with Admiral Radford.<sup>1</sup> But so far I have not met General Ely,<sup>2</sup> and I do not know what requests he has made, if any, in that respect because that would be primarily a matter for the Defense people in any case. The policy has already been established so far as the political aspects of it are concerned.

We have seen no reason to abandon the so-called Navarre<sup>3</sup> plan, which was, broadly speaking, a 2-year plan which anticipated, if not complete victory, at least decisive military results during the fighting season which would follow the present fighting season, which is roughly a year from now.

As you recall, that plan contemplated a very substantial buildup of the local forces and their training and equipment. It was believed that under that program, assuming there were no serious military reversals during the present fighting season, the upper hand could definitely be achieved

in the area by the end of the next fighting season. There have been no such military reverses, and, as far as we can see, none are in prospect which would be of a character which would upset the broad timetable and strategy of the Navarre plan.

*Asked whether that ruled out any possibility of a negotiated peace at Geneva, Mr. Dulles replied:*

At any time if the Chinese Communists are willing to cut off military assistance and thereby demonstrate that they are not still aggressors in spirit, that would, of course, advance greatly the possibility of achieving peace and tranquility in the area. That is a result which we would like to see.

To date, however, I have no evidence that they have changed their mood. One is always hopeful in those respects, but so far the evidence seems to indicate that the Chinese Communists are still in an aggressive, militaristic, and expansionist mood.

## Japan's Progress and Prospects

*by Deputy Under Secretary Murphy\**

In nearly 50 years of its existence, the Japan Society has been of inestimable value to U. S.-Japanese relations. Your program of promoting cultural relations between our two great countries and in expanding the base of understanding of Japan in the United States is of service to both nations. Your work constitutes a genuine contribution to the goals of American foreign policy in a most critical area. It is much appreciated by those of us responsible for conducting America's foreign relations.

Together with his many American friends, I extend a warm welcome to our guest of honor tonight, the new Ambassador of Japan to the United States, Sadao Iguchi. Ambassador Iguchi's diplomatic career is one of outstanding service to his country. We are honored that his Government has selected him as its representative here.

<sup>1</sup> Adm. Arthur W. Radford, Chairman of the Joint Chiefs of Staff.

<sup>2</sup> Gen. Paul Ely, French Chief of Staff.

<sup>3</sup> Gen. Henri-Eugene Navarre, French Commander in Indochina.

\* Address made before the Japan Society at New York, N. Y., on Mar. 18 (press release 146).

I first met Ambassador Iguchi when I went to Japan as Ambassador in 1952. He was then Vice-Minister in charge of the Japanese Foreign Office. I acquired a profound respect for him both as an official and as a person. Most of you, I am sure, will recall his diligent work as Japan's chief negotiator for the multilateral Treaty of Peace with Japan and his efforts in connection with the Security Pact between the United States and Japan. Although I know him to be an unassuming and modest man, he can well be proud of his role in these achievements.

Of course, one of the less heralded but, in its field, no less significant results in which Ambassador Iguchi played a leading role in the early months of Japanese sovereignty was the arrangements by which Japan and America might benefit from the interchange of professors, students, and specialists in various fields. I refer to Ambassador Iguchi's considerable part in concluding with my Government the Fulbright Agreement which laid the foundations for cultural exchange.

One of the most rewarding experiences of my career was to serve as my Government's first Ambassador to Japan on the conclusion of the treaty of peace. I had never previously served in the

Orient. I came to Japan eager to learn about her people and her problems. The friendships extended to me, the faith placed in our intentions, the unflagging consideration shown by high officials in the Japanese Foreign Office and throughout the Government is an experience for which I shall always be grateful.

At that time Ambassador Iguchi was the Under Secretary for Foreign Affairs.

Now, Your Excellency, as Ambassador to the United States, it might be suggested that our positions are rather in reverse. But you are not a stranger to my country as I was to yours. Ambassador Iguchi first came to America in 1933, when he served as consul for 2 years in New York and then in Chicago for 1 year. After returning to Japan, Ambassador Iguchi came back to us in 1940 as Consul General in New York and then as Counselor of Embassy in Washington. Thus, Your Excellency, you bring to your new responsibilities a knowledge and experience of greatest value. You also return to America and to a wide circle of friends who remember you with esteem and affection.

Ambassador Iguchi has many other qualities which endear him to Americans. Among them, he is a baseball player—at least, like many of us these later years, an armchair one—who owned the "Taiyo Whales." I don't know how the record of the Whales would compare with the Yankees; perhaps he will feel more at home with the Senators. In any case, another hobby of his, golf, will doubtless protect him from the rigors of Washington.

Ambassador Iguchi is, furthermore, one of the postwar leaders of Japan who has contributed most effectively to Japan's progress in reestablishing itself within the community of nations. There is no denying that Japan, its leaders, and its people still have a long, hard road to travel before reaching their objectives. Nevertheless, the strides made since the end of the war support the conviction that the courage and determination of the Japanese nation will produce success. At a time when American responsibilities for occupation and reconstruction have ceased, Japan and the United States have entered an era of friendly and understanding cooperation.

#### Postwar Treaties With Japan

For example, one of the major steps Japan and the United States have taken together is the completion of a Treaty of Friendship, Commerce, and Navigation, which I signed at Tokyo last April. This is the first commercial treaty entered into by Japan since the war. Based on a belief in the mutual benefit of expanded trade, commercial relations between the two countries have been placed on a basis that grants the businessmen of our respective countries more freedom of action.

Japan is also a participant in the General Agreement on Tariffs and Trade. Thirty-four contracting parties to GATT and Japan have agreed that commercial relations between them will be based on the agreement until Japan becomes a full member of GATT, probably by mid-1955.

In early February regularly scheduled commercial flights were started by Japan Air Lines between Tokyo and San Francisco, a result of the recent United States-Japanese Civil Air Transport Agreement. This agreement has been effective since September 1953.

A 4-year copyright arrangement between the United States and Japan was established last November 10 to protect both Japanese and American literary, artistic, and musical works. Both of our Governments look forward to the day when a permanent copyright agreement can be reached on a mutually satisfactory basis.

A protocol on the exercise of criminal jurisdiction over United States forces in Japan was negotiated and signed on September 29, 1953, granting Japan the same rights as are enjoyed by the NATO countries. On February 12 our Ambassador at Tokyo signed an agreement on behalf of the United Nations forces stationed in Japan which accorded them substantially the same treatment as is accorded to United States forces there.

#### Japan's Bid for U.N. Membership

The United States, as you know, has sponsored Japan's bid for United Nations membership, when we presented a resolution to that effect to the Security Council in August 1952. The Soviet Union used the veto to block Japan's admission.<sup>5</sup> In December of that year it also opposed a resolution of the General Assembly which registered the opinion that Japan was a peace-loving state within the meaning of the charter and should therefore be admitted to membership.

The United States will continue to press for Japan's admission to the United Nations. Ambassador Warren Austin stated our position in September 1952. He declared:

It is for the Security Council to say whether Japan is a peace-loving state, able and willing to carry out its obligations under the charter. In the opinion of my Government, Japan fully possesses all of these qualifications. Japan desires to be a part of and play an important role in the international community. As a state which now lacks the means of self-defense, she needs collective security as envisioned by the United Nations Charter. The United Nations needs this nation of 85,000,000 people. Japan's membership will strengthen the United Nations and will assist in achieving the maintenance of international peace and security.

The United States is proud to recognize Japan's return to the international community of nations and to put before the Security Council the draft resolution in support of Japan's application for admission to the United Nations.<sup>6</sup>

<sup>5</sup> For a statement by Mr. Murphy regarding the Soviet veto, see BULLETIN of Oct. 6, 1952, p. 524.

<sup>6</sup> *Ibid.*, p. 526.

This position is as valid today as it was nearly 2 years ago. The United Nations needs Japan and Japan needs the United Nations. Let us hope that the Soviet Union will soon recognize the barrenness of its position and vote to admit Japan to its rightful place among the members of the United Nations.

Until such time as its admission becomes a fact, Japan is maintaining its interest in the work of the United Nations through its permanent observer delegation.

Japan is a member of the International Court of Justice, of the International Monetary Fund, and of the International Bank for Reconstruction and Development. It is a member and is on the Council of the Food and Agriculture Organization. Other specialized agencies to which the country belongs are the International Labor Organization, the International Telecommunication Union, the Universal Postal Union, the World Health Organization, the International Civil Aviation Organization, and the World Meteorological Organization. Japan is also an associate member of the Economic Commission for Asia and the Far East.

Japan's active participation in the International North Pacific Fisheries Commission, for which provision was made in the International Convention for the High Seas Fisheries of the North Pacific Ocean, demonstrates Japan's cooperation with Canada and the United States in the sphere of fisheries conservation. The first meeting of the Commission was held in Washington last month. Discussions centered around organizational matters and research programs on fish of common concern to the three countries.

U.S.-Japanese relations were further cemented last Christmas Day, when control of the Amami Oshima Group, the northernmost of the Ryukyus, was relinquished to Japan.

#### **Mutual Defense Assistance Agreement**

The Mutual Defense Assistance Agreement signed last week at Tokyo is, in the view of the United States, a logical step in implementation of the Security Treaty between the United States and Japan, which became effective simultaneously with the Treaty of Peace on April 28, 1952. You will recall that the preamble to the Security Treaty states that the United States is "... willing to maintain certain of its armed forces in and about Japan, in the expectation, however, that Japan will itself increasingly assume responsibility for its own defense. . . ."

The Mutual Defense Assistance Agreement provides the basis for the grant of assistance pursuant to the mutual security legislation of the United States. It takes us nearer to the time when we shall be able to withdraw our forces from Japan. The agreement signed last week is not unique. It is one of a series of such agree-

ments that the United States has negotiated with sovereign nations throughout the world. In effect this agreement makes Japan a full member of the free world team.

In planning a program to assist Japan in strengthening its defenses, we recognize that an essential element for consideration is its economic stability. We shall also provide a military assistance advisory group to help train the Japanese forces. This agreement represents an important step to redress a situation which at one time saw Japan completely defenseless and entirely under the protection of United States forces.

Of course, the Soviet Union has attacked and will continue to attack this step toward safeguarding the integrity of Japan as a threat to itself. Sometimes one may wonder how naive the Communists think the rest of the world may be; when their power drive smashed down across the 38th parallel and ravaged the Republic of Korea, the source of aggression in Asia was immediately apparent.

#### **Aim of Communist Aggression in Korea**

And, further, it was clear that South Korea was not the main Communist target. The Communists were aiming at Japan. By occupying the Korean Peninsula, the aggressors would have held the historical dagger aimed at Japan's heart. When the United Nations stalled this move, the immediate Communist threat to Japan was checked. In this breathing spell, Japan and the United States are working together to guarantee that any such future threat will not find Japan unprepared.

Now that Japan has joined with the United States in a Mutual Defense Assistance Agreement, the question naturally arises: "What does this mean with regard to the evolution of regional security in the Pacific?"

In some quarters, questions arise as to why we have not gone ahead and organized a Pacific pact as we did for the North Atlantic community. Such questions miss the problem entirely.

As you know, the United States is on record as favoring a regional security arrangement in the Pacific. We feel that the menace to the free world by international communism is great.

However, one does not bring such organizations as NATO into being with a wave of the wand. NATO, like any regional security agreement, evolves from a set of essential conditions. A primary condition was a common recognition of a common peril from without. Another condition was the habit of cooperation that had evolved over a period of many years. A third condition was the conviction shared by all that the security of each could only be achieved through collective action.

Clearly, unless these conditions obtained in the North Atlantic community, it would have been

April 5, 1954

515

foolish to attempt a regional organization. But the conditions were there. Consequently, the organization was possible.

The situation in the Pacific is very different. In the past decade the area has witnessed the birth of many new national states preoccupied in large measure with their internal problems and still distracted to some extent by memories of Western colonialism.

The idea that Communist imperialism is the immediate and major threat has been slow in taking hold. Some have come to recognize this menace more rapidly than others. Consequently, we cannot expect to find a positive trend afoot aiming at the establishment of a Pacific coalition.

In addition, as of now, the type of relationships between the nations of the Pacific area necessary before collective action can be effected is as yet undeveloped. Several Far Eastern nations have failed to conclude treaties with Japan, and several have not recognized the Associated States. Although these divergencies may not be serious in the long run, they militate against the kind of cooperation and collaboration upon which real regional security depends.

To those who know the region and its problems, it is clear that the initiative for a Pacific regional grouping must come from the Asian countries themselves. The leadership must develop there. This country can only stand ready to encourage the movements, to give support when needed, and to participate when invited. The fundamental decisions on Asiatic-Pacific security must be made by Asians themselves.

#### **Growth of Inter-Asian Understanding**

It is encouraging to note that the specific conditions mentioned earlier, on which the development of a Pacific pact rests, are coming into being. Inter-Asian understanding is growing. And recognition of the true character of Communist imperialism is spreading steadily. The Communists themselves have aided the spread of this recognition in no small fashion. Their attack on the Republic of Korea, their performances at Panmunjom, their war in Indochina—all these reveal them in their true colors. And as they continue to press their strategy of conquest, their identification as imperialists, as the exponents of a new and peculiarly vicious twentieth-century colonialism, becomes more and more clear.

While it has not been possible to bring an "Asian NATO" into being, the United States has been contributing to a strengthening of the free world's defense in the area. As part of our contribution, we have concluded a series of bilateral security agreements with Pacific powers. The agreement with Australia and New Zealand, known as ANZUS, has been operative for several years now. We also have pacts with the Republic of the Philippines and with Japan. The pact

with the Republic of Korea has already been approved by the United States Senate. While these agreements are similar in framework, they are separate and distinct—each from the other. They contain no provisos which could offer obstruction to a regional agreement. Indeed, it is conceivable that their effect would be quite the reverse.

In the most practical of terms, cooperation, between individuals or between nations, is a habit that requires cultivation. I believe we can expect that, under the spur of Communist ambitions in Asia and the Pacific, the nations of the area will move toward collective action as the only practical safeguard against the Red aggressor.

The United Nations Economic Commission for Asia and the Far East is another activity that is helping to cultivate the habit of cooperation about which we have talked. In ECAFE we find a highly diverse group of nations which have joined hands to tackle regional economic and social problems. Their efforts have already met with some success. Perhaps it is significant that collective action is first going forward in the field of economics, because it is there that some of the most pressing and immediate difficulties are to be found.

#### **Japan's Economic Needs**

As mentioned earlier, it is essential that Japan gain sufficient strength to assume responsibility for her own defense. To do so, the Japanese economy must add a good deal of muscle. And the necessary muscle will not be easily developed. The country is now under terrific pressure from a rapidly expanding population. Without a corresponding increase in economic activity, levels of living will drop rather than rise and make Japan susceptible to the spread of Communist subversion within its borders. Pressures would also increase for trade with Communist China.

Because of this as well as the economic requirements of effective self-defense, a large and expanding volume of Japanese industrial production and foreign trade is essential. We must be frank enough to recognize that this will not be possible unless the U.S. is willing to continue to lead the world in reducing trade barriers and increasing purchasing power in the free world. With the end of the fighting in Korea, the end of our special expenditures in Japan is in sight, although it will probably be a year or more before the full impact of this move is felt. What we do to take up the slack in this situation will in large measure determine the economic future of Japan.

Japan's industrial recovery since the war has been phenomenal. Its present industrial production is half again what it was in 1940, and its capacity is thought to be equal to 25 percent of the Soviet Union's. The problem facing Japan today, therefore, is how to employ this industrial production to cut down the imbalance in Japanese trade.

Since Japan has no oil, iron, steel, tin, tungsten, and about one-fourth of its food, it will have to have access to world markets and be able to compete for them on equal terms. This is not the case at present, and thus Japan's imports dangerously outweigh its exports.

In 1952 the adverse trade balance reached \$759 million. Japan's trade deficit in 1953 is estimated to be \$1,135 million, larger by far than any previous year. This is a grave situation, which has been sustained thus far only by our special expenditures in connection with the Korean hostilities and the stationing of our forces in Japan, which, of course, are no permanent solution to Japan's problem.

Japan's trade with the United States is also sharply out of balance—the deficit in 1952 was \$539 million. Almost one-third of all Japanese imports came from the United States, and we bought about one-sixth of Japan's total exports. In 1952 Japan was our largest customer for cotton, rice, barley, and soybeans and our second most important buyer of wheat.

#### Reduction of Tariff Barriers

We have a self-evident stake in preserving and expanding the market for U.S. goods in Japan. Equally important to recognize is the necessity for Japan to sell in the American market. It is the only way Japan can earn dollars to continue to buy in the United States so long as most currencies of the world are inconvertible. I recognize that there are many serious problems involved in this question, but the fact remains that we must buy more Japanese goods in this country—and that means lower tariffs.

There are several recommendations in the recent report of the Randall Commission which, if implemented, can be of benefit not only to the United States but to the Japanese economy as well. The recommendations which call for further simplification of customs procedures and for authorizing the President to reduce tariff barriers would improve the Japanese export outlook significantly. Legislation permitting the United States to take the lead in reducing world trade barriers would probably enable Japan to negotiate fully with the contracting parties to the General Agreement on Tariffs and Trade, with a view to becoming a full-fledged contracting party to the agreement. Tariff negotiations with the United States would result in an increased volume of U.S.-Japanese

trade, which would be extremely advantageous to both nations.

Recommendations of the Randall Commission of importance in our economic relations with Japan are those which call for a vigorously pressed program of technical assistance and the creation abroad of a climate conducive to private foreign investment. The Commission also suggests U.S. Government loans where economic aid is needed and cannot be provided by private or international sources. These recommendations would be particularly important in increasing the purchasing power of Southeast Asia, an area in which expanded trade regulations with Japan would be immensely beneficial to all parties concerned.

I should like to make it clear that we are not favoring Japanese trading interests at the expense of those of U.S. and European businessmen trading in Southeast Asia or to the detriment of the countries of that area. An increase in Japan's trade with Southeast Asia would not be a gift benevolently bestowed but a reward that the Japanese businessmen would have to earn on a basis of effort and merit.

Japanese competition in the Southeast Asian market will undoubtedly create new problems in some places, but I am convinced that the market is large enough for all comers. With nearly a billion people in the area whose needs cannot possibly be filled in the immediate future, the influx of Japanese trade would work to the advantage of everyone concerned.

This review of Japan's progress since it regained sovereignty is by no means complete, as you are well aware. But I think it sketches in some general lines that show how far Japan has progressed in that period and what must be achieved in the future. A cautious optimism about the future of Japan is justified, but we should recognize the many pitfalls to be avoided and the numerous obstacles to be overcome before the danger zone is passed through.

We are all familiar with the old expression that "the first hundred years are the hardest." The first hundred years of formal relations between the United States and Japan come to an end on March 31, the 100th anniversary of the Treaty of Kanagawa. Let us indeed hope that the hardest years are behind us and go forward together in the confidence that our friendly relations are heralding the advent of a century of friendly cooperation, of peace and prosperity.

## U.S. and Japan Sign Mutual Defense Assistance Agreement

*Following are the texts of (1) a U.S.-Japanese joint communique of March 8 regarding the signing on that date of the Mutual Defense Assistance Agreement, (2) a statement made by Ambassador John M. Allison on the occasion of the signing of the agreement, and (3) the agreement, together with related agreements and arrangements signed on the same date.*

### JOINT COMMUNIQUE

Press release 117 dated March 8

Japanese Foreign Minister Katsuo Okazaki and American Ambassador John M. Allison in a ceremony held at the Foreign Office today signed a Mutual Defense Assistance Agreement between Japan and the United States of America. At the same time they signed a series of three other related agreements pertaining to the purchase of agricultural commodities, economic arrangements, and guaranty of investments, and arrangements for the return of equipment under the Mutual Defense Assistance Agreement.

The Mutual Defense Assistance Agreement signed today is modeled after similar agreements between the United States and many other nations participating in the Mutual Security Program. It provides the basis for the grant of assistance pursuant to the Mutual Security legislation of the United States, and is designed to facilitate the planning of a Defense Assistance Program for Japan with recognition that economic stability of the country is an essential element for consideration in developing its defense capacities. The agreement also contemplates the establishment of an American MAAG<sup>1</sup> to operate under the direction and control of the American Ambassador in Japan. This group will serve in an advisory capacity to assist and guide the development of Japanese defense forces. The Japanese Government has agreed to provide the sum of yen 357,300,000 or approximately \$990,000, in addition to certain contributions in kind, for the purpose of meeting the expenses of the MAAG.

The arrangements for the return of equipment are closely related to the MDA agreement, and provide generally that any equipment furnished to

Japan no longer required for the purposes intended shall be returned in accordance with mutually agreed procedures.

The agreement concerning the purchase of agricultural commodities lays the basis for the sale to Japan of surplus American agricultural products of a value not to exceed \$50,000,000. According to this agreement, the United States will pay dollars to purchase the products and Japan will deposit a yen equivalent in the Bank of Japan in favor of the United States. Under the terms of the agreement on economic arrangements, 20 percent of this deposit or not more than the yen equivalent of \$10,000,000 will be made available by the United States in the form of yen grants to Japan for the purpose of assisting Japanese defense industry and for other purposes serving to promote Japan's economic capacities. The remaining 80 percent of this fund will be used by the United States to procure goods and services in Japan in support of the Military Assistance Program. The agreement concerning investment guaranties is designed to provide certain safeguards to American businessmen in an effort to stimulate investments in Japan.

These agreements will be submitted to the Diet for its action and will enter into force when the United States is notified of Japan's ratification or approval of the agreements.

### STATEMENT BY AMBASSADOR ALLISON

Press release 119 dated March 8

We are about to sign today a mutual defense assistance agreement and three allied agreements. Those officers in both our Governments who have been arduously engaged for so long in the details of these negotiations deserve our thanks and congratulations.

There are two points which at the very beginning I wish to emphasize. One is that these are mutual agreements and secondly, that they are the result of 8 months of negotiations. These two facts are interrelated. If these were not mutual agreements, freely entered into, there would have been no necessity for 8 months of negotiations. The very essence of the documents

<sup>1</sup> Military Assistance Advisory Group.



we are signing **Approved For Release 2003/03/25 : CIA-RDP60-00442R000100140003-6** ~~spelled last July and which I referred to in my~~ beliefs, both of the Japanese and American negotiators, that their signature will be in the mutual interest of both our countries. These agreements require our countries to assume mutual obligations but they give our countries mutual benefits.

The Investment Guarantee Agreement will not solve Japan's economic problems but it will help in a modest way to encourage American capital to come to Japan to build up your industry, provide more jobs for your workers, and develop more exports to pay for the imports you must have. That is your gain. Our benefit is not only profit for individual firms, but, more important, it represents a further step toward making the Japanese economy strong, healthy, and independent of outside assistance or special dollar expenditures.

The Purchase Agreement under section 550<sup>2</sup> and the companion Economic Arrangements Agreement likewise serve both our interests. Under them 500,000 tons of surplus wheat and 100,000 tons of surplus barley which our farmers and a bountiful nature have produced, will be sold on terms advantageous to Japan and without cost to you in dollars. One of the benefits is that it will help to tide you over the consequences of last year's rice crop failure and flood disaster. The yen which you pay us for this wheat will be turned back to Japan to help build up your defense industries and to purchase goods which will enable the Japanese people and other free peoples to defend themselves against the threat of Communist imperialism. Thus these two agreements also serve both our national interests.

The Mutual Defense Assistance Agreement is, of course, the basic one. Since negotiations were commenced last July there has been much public and press discussion and debate in Japan about this agreement. That is good. It is only as a result of public discussion and debate that governments of free peoples can successfully hammer out these policies which are in their own interest. It is only the totalitarian governments which feel they can make agreements and establish fundamental policies without the consent of the people as voiced by their elected representatives.

However, in spite of the public discussion given to this subject, I am afraid there is still in some quarters misunderstanding and a reluctance to accept the plain facts of the case. In spite of what has been and is still being said, you will look in vain for any requirement in the Mutual Defense Assistance Agreement that Japan send its young men abroad. You will look in vain for any requirement that Japan take any action to which its Government does not of its own free will agree. Let me quote again from a statement by Secretary of State Dulles made just before our negotiations

<sup>2</sup> For text of sec. 550 of the Mutual Security Act, see BULLETIN of Nov. 9, 1953, p. 639.

~~spelled last July and which I referred to in my~~ remarks at that time. In speaking of the mutual security program for Japan, Secretary Dulles said that it would be "purely of a defensive nature, directed exclusively toward contributing to the defense and internal security of the Japanese homeland".<sup>3</sup>

Another prevalent misconception is that by signing this agreement Japan subordinates economic rehabilitation of its people to a purely military effort. Here again let me recall what I pointed out 8 months ago when I quoted President Eisenhower's message of May 5 last year in which he presented the mutual security program to the Congress. The President stressed certain conclusions about this program which I believe are fundamental and of great importance. He said:<sup>4</sup>

The United States and our partners throughout the world must stand ready, for many years if necessary, to build and maintain adequate defenses.

To accomplish this objective we must avoid so rapid a military buildup that we seriously dislocate our economies. Military strength is most effective—indeed it can be maintained—only if it rests on a solid economic base.

We must help the free nations to help themselves in eradicating conditions which corrode and destroy the will for freedom and democracy from within.

I felt it necessary, Mr. Minister, to recall these previous statements in order to make clear that America's purpose in concluding these agreements has been consistent and enlightened. In a specific sense these agreements are for the purpose of helping Japan undertake a larger share of its own defense. This agreement takes us one step nearer the time when the Japanese people will not need to rely on American forces for protection. It takes us one step nearer the time when the United States can withdraw its forces from Japan. The greatest contribution Japan can make to the security of the free world is to strengthen her own security and be in a position to assure her own people that they will be able to live and develop their own ideas and their own culture in their own way and not become subject to an alien dictatorship. A strong, free, and enlightened Japan can contribute much to the peace and stability of Asia and the world. It is my belief that these agreements we are signing today will contribute toward the building of such a Japan.

It is also important, I believe, to point out that this agreement is not unique, but that in signing it the Japanese Government is following a pattern already set by many countries in all parts of the world. The United States has entered into these agreements in order to assist in building up economic power and defensive strength of friendly nations. Slowly but surely—through their own efforts and with some help from us—the nations which treasure their national independence are strengthening their economic foundations and creating the means of defending themselves

<sup>3</sup> BULLETIN of July 20, 1953, p. 91.

<sup>4</sup> *Ibid.*, May 25, 1953, p. 735.

against the danger of aggression. This is the simple meaning and purpose of this ceremony today.

Mr. Minister, I consider it indeed a great privilege to be able to represent my Government on this historic occasion. I can also assure you, Mr. Minister, that I shall always treasure this moment as a true indication of the ever-increasing friendship between our peoples and of cooperation between our nations.

## OFFICIAL TEXTS OF AGREEMENTS

### Mutual Defense Assistance Agreement Between the United States of America and Japan

The Government of the United States of America and the Government of Japan,

Desiring to foster international peace and security, within the framework of the Charter of the United Nations, through voluntary arrangements which will further the ability of nations dedicated to the purposes and principles of the Charter to develop effective measures for individual and collective self-defense in support of those purposes and principles;

Reaffirming their belief as stated in the Treaty of Peace with Japan signed at the city of San Francisco on September 8, 1951 that Japan as a sovereign nation possesses the inherent right of individual or collective self-defense referred to in Article 51 of the Charter of the United Nations;

Recalling the preamble of the Security Treaty between the United States of America and Japan, signed at the city of San Francisco on September 8, 1951, to the effect that the United States of America, in the interest of peace and security, would maintain certain of its armed forces in and about Japan as a provisional arrangement in the expectation that Japan will itself increasingly assume responsibility for its own defense against direct and indirect aggression, always avoiding any armament which could be an offensive threat or serve other than to promote peace and security in accordance with the purposes and principles of the Charter of the United Nations;

Recognizing that, in the planning of a defense assistance program for Japan, economic stability will be an essential element for consideration in the development of its defense capacities, and that Japan can contribute only to the extent permitted by its general economic condition and capacities;

Taking into consideration the support that the Government of the United States of America has brought to these principles by enacting the Mutual Defense Assistance Act of 1949, as amended, and the Mutual Security Act of 1951, as amended, which provide for the furnishing of defense assistance by the United States of America in furtherance of the objectives referred to above; and

Desiring to set forth the conditions which will govern the furnishing of such assistance;

Have agreed as follows:

#### ARTICLE I

1. Each Government, consistently with the principle that economic stability is essential to international peace and security, will make available to the other and to such other governments as the two Governments signatory to the present Agreement may in each case agree upon, such equipment, materials, services, or other assistance as the Government furnishing such assistance may authorize, in accordance with such detailed arrangements as may be made between them. The furnishing and use of any such assistance as may be authorized by either

Government shall be consistent with the Charter of the United Nations. Such assistance as may be made available by the Government of the United States of America pursuant to the present Agreement will be furnished under those provisions, and subject to all of those terms, conditions and termination provisions of the Mutual Defense Assistance Act of 1949, the Mutual Security Act of 1951, acts amendatory and supplementary thereto, and appropriation acts thereunder which may affect the furnishing of such assistance.

2. Each Government will make effective use of assistance received pursuant to the present Agreement for the purposes of promoting peace and security in a manner that is satisfactory to both Governments, and neither Government, without the prior consent of the other, will devote such assistance to any other purpose.

3. Each Government will offer for return to the other, in accordance with terms, conditions and procedures mutually agreed upon, equipment or materials furnished under the present Agreement, except equipment and materials furnished on terms requiring reimbursement, and no longer required for the purposes for which it was originally made available.

4. In the interest of common security, each Government undertakes not to transfer to any person not an officer or agent of such Government, or to any other government, title to or possession of any equipment, materials, or services received pursuant to the present Agreement, without the prior consent of the Government which furnished such assistance.

#### ARTICLE II

In conformity with the principle of mutual aid, the Government of Japan agrees to facilitate the production and transfer to the Government of the United States of America for such period of time, in such quantities and upon such terms and conditions as may be agreed upon of raw and semi-processed materials required by the United States of America as a result of deficiencies or potential deficiencies in its own resources, and which may be available in Japan. Arrangements for such transfers shall give due regard to requirements for domestic use and commercial export as determined by the Government of Japan.

#### ARTICLE III

1. Each Government will take such security measures as may be agreed upon between the two Governments in order to prevent the disclosure or compromise of classified articles, services or information furnished by the other Government pursuant to the present Agreement.

2. Each Government will take appropriate measures consistent with security to keep the public informed of operations under the present Agreement.

#### ARTICLE IV

The two Governments will, upon the request of either of them, make appropriate arrangements providing for the methods and terms of the exchange of industrial property rights and technical information for defense which will expedite such exchange and at the same time protect private interests and maintain security safeguards.

#### ARTICLE V

The two Governments will consult for the purpose of establishing procedures whereby the Government of Japan will so deposit, segregate, or assure title to all funds allocated to or derived from any programs of assistance undertaken by the Government of the United States of America so that such funds shall not be subject to garnishment, attachment, seizure or other legal process by any person, firm, agency, corporation, organization or government, when the Government of Japan is advised by the Government of the United States of America that any such legal process would interfere with the attainment of the objectives of the program of assistance.

1. The Government of Japan will grant

- a. Exemption from duties and internal taxation upon importation or exportation to materials, supplies or equipment imported into or exported from its territory under the present Agreement or any similar agreement between the Government of the United States of America and the Government of any other country receiving assistance, except as otherwise agreed to; and
- b. Exemption from and refund of Japanese taxes, as enumerated in the attached Annex E, so far as they may affect expenditures of or financed by the Government of the United States of America effected in Japan for procurement of materials, supplies, equipment and services under the present Agreement or any similar agreement between the Government of the United States of America and the Government of any other country receiving assistance.

2. Exemption from duties and exemption from and refund of Japanese taxes as enumerated in the attached Annex E will apply, in addition, to any other expenditures of or financed by the Government of the United States of America for materials, supplies, equipment and services for mutual defense, including expenditures made in conformity with the Security Treaty between the United States of America and Japan or any foreign aid program of the Government of the United States of America under the Mutual Security Act of 1951, as amended, or any acts supplementary, amendatory or successory thereto.

ARTICLE VII

1. The Government of Japan agrees to receive personnel of the Government of the United States of America who will discharge in the territory of Japan the responsibilities of the latter Government regarding equipment, materials, and services furnished under the present Agreement, and who will be accorded facilities to observe the progress of the assistance furnished by the Government of the United States of America under the present Agreement. Such personnel who are nationals of the United States of America, including personnel temporarily assigned, will, in their relationships with the Government of Japan, operate as part of the Embassy of the United States of America under the direction and control of the Chief of the Diplomatic Mission, and will have the same privileges and immunities as are accorded to other personnel with corresponding rank in the Embassy of the United States of America.

2. The Government of Japan will make available, from time to time, to the Government of the United States of America funds in yen for the administrative and related expenses of the latter Government in connection with carrying out the present Agreement.

ARTICLE VIII

The Government of Japan, reaffirming its determination to join in promoting international understanding and good will, and maintaining world peace, to take such action as may be mutually agreed upon to eliminate causes of international tension, and to fulfill the military obligations which the Government of Japan has assumed under the Security Treaty between the United States of America and Japan, will make, consistent with the political and economic stability of Japan, the full contribution permitted by its manpower, resources, facilities and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world, take all reasonable measures which may be needed to develop its defense capacities, and take appropriate steps to ensure the effective utilization of any assistance provided by the Government of the United States of America.

1. Nothing contained in the present Agreement shall be construed to alter or otherwise modify the Security Treaty between the United States of America and Japan or any arrangements concluded thereunder.

2. The present Agreement will be implemented by each Government in accordance with the constitutional provisions of the respective countries.

ARTICLE X

1. The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of the present Agreement or to operations or arrangements carried out pursuant to the present Agreement.

2. The terms of the present Agreement may be reviewed at the request of either of the two Governments or amended by agreement between them at any time.

ARTICLE XI

1. The present Agreement shall come into force on the date of receipt by the Government of the United States of America of a written notice from the Government of Japan of ratification of the Agreement by Japan.

2. The present Agreement will thereafter continue in force until one year after the date of receipt by either Government of a written notice of the intention of the other to terminate it, provided that the provisions of Article I, paragraphs 2, 3 and 4, and arrangements entered into under Article III, paragraph 1 and Article IV shall remain in force unless otherwise agreed by the two Governments.

3. The Annexes to the present Agreement shall form an integral part thereof.

4. The present Agreement shall be registered with the Secretariat of the United Nations.

IN WITNESS WHEREOF the representatives of the two Governments, duly authorized for the purpose, have signed the present Agreement.

DONE in duplicate, in the English and Japanese languages, both equally authentic, at Tokyo, this eighth day of March, one thousand nine hundred fifty-four.

For the United States of America:

JOHN M. ALLISON

For Japan:

KATSUO OKAZAKI

ANNEX A

In carrying out the present Agreement, the Government of the United States of America will give every consideration, to the extent that other factors will permit, to procurement in Japan of supplies and equipment to be made available to Japan, as well as to other countries, where feasible, and to providing information to and facilitating the training of technicians from Japan's defense-production industries. In this connection, representatives of the Government of Japan stated that the development of Japan's defense capacities will greatly be facilitated if the Government of the United States of America will give consideration to assisting in the financing of Japan's defense-production industries.

The two Governments recognize the advisability of establishing adequate liaison between them to facilitate procurement by the Government of the United States of America in Japan.

ANNEX B

The security measures which the Government of Japan agrees to take pursuant to Article III, paragraph 1 will be such as would guarantee the same degree of security and protection as provided in the United States of America, and no disclosure to any person not an officer or agent of the Government of Japan of classified articles, services or information accepted by Japan, will be made

April 5, 1954

521

without the prior consent of the Government of the United States of America.

Approved For Release 2003/03/25 : CIA-RDP60-00442R000100140003-6

#### ANNEX C

The two Governments recognize the benefits to be derived from the principle of standardization, and agree to the advisability of taking feasible joint measures to achieve that degree of standardization, with respect to specifications and quality, which will promote the effective utilization and maintenance of any assistance furnished under the present Agreement.

#### ANNEX D

In the interest of common security, the Government of Japan will cooperate with the Governments of the United States of America and other peace-loving countries in taking measures to control trade with nations which threaten the maintenance of world peace.

#### ANNEX E

To effectuate Article VI, the Governments of the United States of America and Japan agree as follows:

1. The Japanese taxes referred to in Article VI, paragraph 1b and paragraph 2, are as follows:
  - a. Commodity tax;
  - b. Travelling tax;
  - c. Gasoline tax;
  - d. Electricity and gas tax.
2. With respect to any present or future taxes of Japan not specifically referred to in this Annex which might be found to be applicable to the expenditures covered by Article VI, the two Governments will agree upon procedures for granting exemption and refund.
3. Exemption from duties and exemption from and refund of Japanese taxes will be applied upon appropriate certification by the Government of the United States of America.
4. Materials, supplies and equipment imported into or procured by the Government of the United States of America in Japan exempt from duties and taxes under Article VI, shall not be disposed of in Japan except as such disposal may be authorized by the authorities of the United States of America and Japan in accordance with mutually agreed conditions.
5. Nothing in Article VI, or this Annex shall be construed to
  - a. Require exemption from import or export procedures provided for by the laws of Japan, or
  - b. Affect exemption from duties and internal taxation provided for by the laws of Japan in accordance with existing agreements and arrangements such as the Administrative Agreement under Article III of the Security Treaty between the United States of America and Japan.

#### ANNEX F

1. With respect to the facilities to be accorded by the Government of Japan to the personnel of the Government of the United States of America who, pursuant to Article VII of the present Agreement, will discharge in Japan responsibilities of the Government of the United States of America to observe the progress of assistance furnished in pursuance of the present Agreement, the two Governments agree that such facilities to be accorded shall be reasonable and not unduly burdensome upon the Government of Japan.
2. The two Governments agree that the number of such personnel to be accorded diplomatic privileges will be kept as low as possible.
3. It is understood between the two Governments that the status of such personnel of the nationality of the

United States of America, considered part of the Diplomatic Mission of the Government of the United States of America, shall be accorded the same status as personnel of corresponding rank of the Embassy of the United States of America in Japan.

Such personnel will be divided into three categories:

- a. Upon appropriate notification by the Government of the United States of America, full diplomatic status will be granted to the senior military member and the senior Army, Navy and Air Force officer assigned thereto, and to their respective immediate deputies.
- b. The second category of personnel will enjoy privileges and immunities conferred by international custom to certain categories of personnel of the Embassy of the United States of America in Japan, such as the immunity from civil and criminal jurisdiction of Japan, immunity of official papers from search and seizure, right of free egress, exemption from customs duties or similar taxes or restrictions in respect of personally owned property imported into Japan by such personnel for their personal use and consumption, without prejudice to the existing regulations on foreign exchange, exemption from internal taxation by Japan upon salaries of such personnel. Privileges and courtesies incident to diplomatic status such as diplomatic automobile license plates, inclusion on the "Diplomatic List", and social courtesies may be waived by the Government of the United States of America for this category of personnel.
- c. The third category of personnel will receive the same status as the clerical personnel of the Embassy of the United States of America in Japan.

#### ANNEX G

1. The two Governments agree to restrict to the minimum necessary the amount of expenses to be made available from time to time by the Government of Japan pursuant to Article VII.
2. The two Governments also agree that the Government of Japan may, in lieu of meeting the expenses referred to in the preceding paragraph, make available necessary and suitable real estate, equipment, supplies and services.
3. The two Governments agree that, in consideration of the contributions in kind to be made available by the Government of Japan, the amount of yen to be made available as a cash contribution by the Government of Japan for any Japanese fiscal year shall be as agreed upon between the two Governments.
4. The contributions by the Government of Japan will be made available in accordance with arrangements as may be agreed upon between the two Governments.
5. The two Governments further agree that, in consideration of the contributions in kind to be made available by the Government of Japan during the initial period from the date of coming into force of the present Agreement to March 31, 1955, the amount of cash contributions by the Government of Japan for such period shall not exceed Three Hundred Fifty-Seven Million Three Hundred Thousand Yen (¥357,300,000).

#### Arrangements for Return of Equipment Under Article I of the Mutual Defense Assistance Agreement Between the United States of America and Japan

The Government of the United States of America and the Government of Japan agree to the following arrangements under the Mutual Defense Assistance Agreement between the two countries signed today, respecting the disposition of equipment and materials furnished by the Government of the United States of America under the said Agreement, and no longer required for the purposes for which originally made available:

1. The Government of Japan will report to the Government of the United States of America, through the Military Assistance Advisory Group, the equipment and materials furnished under end item programs as are no longer required in the furtherance of the Mutual Defense Assistance Agreement between the United States of America and Japan. The Military Assistance Advisory Group shall not be precluded from drawing to the attention of the authorities of the Government of Japan any equipment or materials which the Military Assistance Advisory Group considers to be within paragraph 3 of Article I of the said Agreement and when so notified the Government of Japan will enter into consultation with the Government of the United States of America concerning the return to the Government of the United States of America of such equipment and materials in accordance with procedures set forth in the following paragraphs.

2. The Government of the United States of America may accept title to such equipment and materials for transfer to a third country or for such other disposition as may be made by the Government of the United States of America.

3. When title is accepted by the Government of the United States of America, such equipment and materials will be delivered free alongside ship at a Japanese port in case ocean shipment is required, or free on board inland carrier at a shipping point in Japan designated by the Military Assistance Advisory Group in the event ocean shipping is not required, or, in the case of flight-deliverable aircraft, at such airfield in Japan as may be designated by the Military Assistance Advisory Group.

4. Such equipment and materials reported no longer required by the Government of Japan and not accepted by the Government of the United States of America for redistribution or return will be disposed of as may be agreed between the Governments of the United States of America and Japan.

5. Any salvage or scrap from equipment and materials furnished under the Mutual Defense Assistance Agreement shall be reported to the Government of the United States of America in accordance with paragraph 1 and shall be disposed of in accordance with paragraphs 2, 3 and 4 of the present Arrangements. Salvage or scrap which is not accepted by the Government of the United States of America will be used to support the defense effort of Japan or of other countries to which military assistance is being furnished by the Government of the United States of America.

IN WITNESS WHEREOF the representatives of the two Governments, duly authorized for the purpose, have signed the present Arrangements.

DONE in duplicate, in the English and Japanese languages, both equally authentic, at Tokyo, this eighth day of March, one thousand nine hundred fifty-four.

For the Government of the United States of America:

JOHN M. ALLISON

For the Government of Japan:

KATSUO OKAZAKI

#### **Agreement Between the United States of America and Japan Regarding the Purchase of Agricultural Commodities**

The Government of the United States of America and the Government of Japan:

Considering the mutual benefits to be derived from the sale by the United States of America and the purchase by Japan of United States surplus agricultural commodities under the provisions of Section 550 of the Mutual Security Act of 1951, as amended; and

Desiring to set forth the necessary arrangements therefor;

Have agreed as follows:

**April 5, 1954**

#### **ARTICLE I**

The two Governments will enter into transactions pursuant to Section 550 of the Mutual Security Act of 1951, as amended, aggregating Fifty Million United States Dollars (\$50,000,000) during the current United States fiscal year ending June 30, 1954.

#### **ARTICLE II**

The particular commodities to be purchased and the terms of particular transactions shall be agreed upon between the two Governments from time to time in accordance with procedures established for the Government of the United States of America by the Foreign Operations Administration.

#### **ARTICLE III**

It is understood that the procurement and utilization of the commodities which may be obtained pursuant to this agreement will not cause displacement of or substitution for usual marketings of the United States of America or of other friendly countries.

#### **ARTICLE IV**

The Government of the United States of America shall disburse the United States dollars required for the purchases referred to in Article II, and the Government of Japan shall, upon notification of such dollar disbursements, deposit the yen equivalent in a special account of the Government of the United States of America to be established in the Bank of Japan.

#### **ARTICLE V**

The rate of exchange of United States dollars to yen to be deposited shall be the official par value established by the Government of Japan with respect to United States dollars prevailing at the time of the receipt of each notification referred to in Article IV, provided there are no multiple official basic rates of exchange.

#### **ARTICLE VI**

Detailed arrangements necessary for the operation of this Agreement shall be agreed upon between the two Governments.

#### **ARTICLE VII**

This Agreement shall enter into force on the date of receipt by the Government of the United States of America of a note from the Government of Japan stating that Japan has approved the Agreement in accordance with its legal procedures.

IN WITNESS WHEREOF the representatives of the two Governments, duly authorized for the purpose, have signed this Agreement.

DONE in duplicate, in the English and Japanese languages, both equally authentic, at Tokyo, this eighth day of March, one thousand nine hundred fifty-four.

For the United States of America:

JOHN M. ALLISON

For Japan:

KATSUO OKAZAKI

#### **Agreed Official Minutes With Respect to the Agreement Between the United States of America and Japan Regarding the Purchase of Agricultural Commodities**

It is understood that the words "basic rates" in the phrase "provided there are no multiple official basic rates of exchange" in Article V are employed to distinguish such a rate from the ordinary rates utilized in the buying and selling of exchange.

JOHN M. ALLISON KATSUO OKAZAKI

TOKYO, March 8, 1954

**Agreement Between Japan and the United States of America Regarding the Guaranty of Investments**

The Government of the United States of America and the Government of Japan:

Recognizing that economic benefits will accrue to the United States of America and Japan from the guaranties by the United States of America of private investments which may be made in Japan by nationals of the United States of America pursuant to the provisions of Section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended; and

Desiring to set forth the understandings concerning such guaranties;

Have agreed as follows:

**ARTICLE I**

The Government of the United States of America and the Government of Japan will, upon the request of either Government, consult respecting projects in Japan proposed by nationals of the United States of America with regard to which guaranties under Section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, may be made or are under consideration.

**ARTICLE II**

With respect to guaranties extended by the Government of the United States of America in accordance with the provisions of the Section referred to in Article I to projects which are approved by the Government of Japan, the Government of Japan agrees:

(1) That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of Japan will recognize the transfer to the Government of the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made and the subrogation of the Government of the United States of America to any claim or cause of action of such person arising in connection therewith. The Government of Japan shall also recognize any transfer to the Government of the United States of America pursuant to such guaranty of any compensation for loss covered by such guaranties received from the Government of Japan;

(2) That yen amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded, at the time of such acquisition, to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such yen amounts may be used without restriction by the Government of the United States of America for non-military administrative expenditures;

(3) That any claim against the Government of Japan to which the Government of the United States of America may be subrogated as the result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If, within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government.

This Agreement shall enter into force on the date of receipt by the Government of the United States of America of a note from the Government of Japan stating that Japan has approved the Agreement in accordance with its legal procedures.

IN WITNESS WHEREOF the representatives of the two Governments, duly authorized for the purpose, have signed this Agreement.

DONE in duplicate, in the English and Japanese languages, both equally authentic, at Tokyo, this eighth day of March, one thousand nine hundred fifty-four.

For the United States of America:

JOHN M. ALLISON

For Japan:

KATSUO OKAZAKI

**Agreement Between the United States of America and Japan on Economic Arrangements**

The Government of the United States of America and the Government of Japan:

Having concluded an agreement for the purchase of agricultural commodities pursuant to Section 550 of the Mutual Security Act of 1951, as amended;

Recognizing that economic stability is essential to international peace and security;

Considering that the Government of the United States of America is prepared, under this agreement, to utilize yen funds resulting from the aforesaid purchase of agricultural commodities for the purpose of assisting in the development of the industrial production and economic potential of Japan; and

Recognizing that encouragement of private investments in Japan by nationals of the United States of America would also serve the above purpose;

Have agreed as follows:

**ARTICLE I**

The Government of the United States of America shall, subject to the terms and conditions of any applicable United States legislation, use the yen funds to be deposited in the special account established in accordance with the provisions of Article IV of the Agreement between the United States of America and Japan regarding the Purchase of Agricultural Commodities, signed at Tokyo on March 8, 1954, for the following purposes:

(1) The Government of the United States of America will make grants of yen from this account to the Government of Japan subject to such terms as may be mutually agreed upon for assistance to Japanese industry and for other purposes serving to promote Japan's economic capabilities. Such grants shall aggregate 20 percent of the total deposits in the account resulting from transactions entered into under the aforesaid Agreement, but not to exceed the yen equivalent of Ten Million United States Dollars (\$10,000,000).

(2) The Government of the United States of America may use the remainder of such yen funds without restrictions for the procurement of goods and services in Japan in support of military assistance programs of the United States of America.

**ARTICLE II**

The Government of Japan shall establish a special account in which will be deposited yen resulting from grants made available by the Government of the United States of America to the Government of Japan.

**ARTICLE III**

It is agreed that the guaranties by the United States of America of private investments which may be made in Japan by nationals of the United States of America pur-

suant to the provisions of Section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, would encourage such investments and contribute to the promotion of the purposes of this Agreement.

#### ARTICLE IV

Detailed arrangements which may be necessary for the operation of this Agreement shall be agreed upon between the two Governments.

#### ARTICLE V

This Agreement shall enter into force on the date of receipt by the Government of the United States of America of a note from the Government of Japan stating that Japan has approved the Agreement in accordance with its legal procedures.

IN WITNESS WHEREOF the representatives of the two Governments, duly authorized for the purpose, have signed this Agreement.

DONE in duplicate, in the English and Japanese languages, both equally authentic, at Tokyo, this eighth day of March, one thousand nine hundred fifty-four.

For the United States of America :

JOHN M. ALLISON

For Japan :

KATSUO OKAZAKI

#### Agreed Official Minutes With Respect to the Agreement Between the United States of America and Japan on Economic Arrangements

It is understood that the term "without restrictions" in Article I, paragraph (2), shall be interpreted, for the purposes of this Agreement, to mean without restrictions as to the method of utilization of such yen funds not to exceed the equivalent of 40 million United States dollars. It is further understood that, in such utilization, due regard shall be paid by the Government of the United States of America in consultation with the Government of Japan to the requirements of Japan for domestic use and commercial exports.

Ambassador Extraordinary and  
Plenipotentiary of the United  
States of America to Japan:

JOHN M. ALLISON

Minister for Foreign  
Affairs of Japan:

KATSUO OKAZAKI

TOKYO, March 8, 1954

#### TREATY INFORMATION

#### Current Actions

##### MULTILATERAL

##### Commodities—Sugar

International sugar agreement. Done at London under date of Oct. 1, 1953.

*Ratifications deposited:* Australia, Dec. 14, 1953; Cuba, Dec. 16, 1953; United Kingdom, Dec. 12, 1953.

*Accession deposited:* Hungary, Dec. 18, 1953.<sup>1</sup>

<sup>1</sup> With reservation.

April 5, 1954

*Notifications of intention to ratify, accept, or accede before May 1, 1954:*

1953

|                                       |                          |
|---------------------------------------|--------------------------|
| United States . . . . .               | December 15 <sup>1</sup> |
| Belgium . . . . .                     | November 19              |
| Brazil . . . . .                      | December 19              |
| China . . . . .                       | December 12              |
| Czechoslovakia . . . . .              | December 18              |
| Dominican Republic . . . . .          | December 12              |
| France . . . . .                      | December 11              |
| Federal Republic of Germany . . . . . | December 11              |
| Haiti . . . . .                       | December 15              |
| Japan . . . . .                       | December 15              |
| Lebanon . . . . .                     | December 15              |
| Mexico . . . . .                      | December 10              |
| Netherlands . . . . .                 | December 10              |
| Philippines . . . . .                 | November 25              |
| Poland . . . . .                      | December 18              |
| Portugal . . . . .                    | December 14              |
| Union of South Africa . . . . .       | December 15              |
| U.S.S.R. . . . .                      | December 18              |

Entered into force *provisionally* Dec. 18, 1953 (for articles 1, 2, 18, and 27-46, inclusive), and Jan. 1, 1954 (for articles 3-17 and 19-26, inclusive).

#### Trade and Commerce

Declaration on the continued application of the schedules to the General Agreement on Tariffs and Trade, TIAS 2886. Done at Geneva Oct. 24, 1953.

*Signature:* Australia, Feb. 23, 1954. Entered into force for Australia Feb. 23, 1954.

Third protocol of rectifications and modifications to the texts of the schedules to the General Agreement on Tariffs and Trade.<sup>2</sup> Done at Geneva Oct. 24, 1953.

*Signature:* Denmark, Jan. 27, 1954.

#### BILATERAL

##### Australia

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, TIAS 2903. Signed at Washington May 14, 1953. Ratifications exchanged at Canberra Jan. 7, 1954. Entered into force Jan. 7, 1954. Proclaimed by the President Jan. 20, 1954.

##### Canada

Convention for the preservation of the halibut fishery of the Northern Pacific Ocean and Bering Sea, TIAS 2900. Signed at Ottawa Mar. 2, 1953. Entered into force Oct. 28, 1953. Proclaimed by the President Jan. 7, 1954.

##### Greece

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, TIAS 2901. Signed at Athens Feb. 20, 1950. Entered into force Dec. 30, 1953. Proclaimed by the President Jan. 15, 1954.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, TIAS 2902. Signed at Athens Feb. 20, 1950. Entered into force Dec. 30, 1953. Proclaimed by the President Jan. 15, 1954.

##### India

Agreement relating to air transport services, TIAS 1586. Signed at New Delhi Nov. 14, 1946. Entered into force Nov. 14, 1946.

<sup>2</sup> Not in force.



Notice of termination by India: Received by the United States Jan. 14, 1954. To terminate 1 year from date of receipt of notice.

### STATUS LISTS<sup>1</sup>

#### Agreement Revising and Renewing the International Wheat Agreement

Open for signature at Washington from April 13 until April 27, 1953, inclusive

| Country                               | Date of deposit of instrument of acceptance | Date of entry into force for parts 1, 3, 4, and 5 | Date of entry into force for part 2 |
|---------------------------------------|---|---|-------------------------------------|
|                                       | 1953  | 1953  | 1953                                |
| Canada . . . . .                      | May 18                                      | July 15   | Aug. 1                              |
| Cuba . . . . .                        | June 30                                     | July 15   | Aug. 1                              |
| Philippines . . . . .                 | July 1                                      | July 15   | Aug. 1                              |
| Ceylon . . . . .                      | July 3                                      | July 15   | Aug. 1                              |
| Iceland . . . . .                     | July 4                                      | July 15   | Aug. 1                              |
| Guatemala . . . . .                   | July 6                                      | July 15   | Aug. 1                              |
| Peru . . . . .                        | July 8                                      | July 15   | Aug. 1                              |
| Israel . . . . .                      | July 11                                     | July 15   | Aug. 1                              |
| Indonesia . . . . .                   | July 13                                     | July 15   | Aug. 1                              |
| Costa Rica . . . . .                  | July 13                                     | July 15   | Aug. 1                              |
| Ireland . . . . .                     | July 13                                     | July 15   | Aug. 1                              |
| Switzerland . . . . .                 | July 14                                     | July 15   | Aug. 1                              |
| Japan . . . . .                       | July 14                                     | July 15   | Aug. 1                              |
| United States of America . . . . .    | July 14                                     | July 15   | Aug. 1                              |
| Bolivia . . . . .                     | July 15                                     | July 15   | Aug. 1                              |
| Egypt . . . . .                       | July 15                                     | July 15   | Aug. 1                              |
| Norway . . . . .                      | July 22                                     | July 15   | Aug. 1                              |
| Portugal . . . . .                    | July 24                                     | July 15   | Aug. 1                              |
| Denmark . . . . .                     | July 24                                     | July 15   | Aug. 1                              |
| India . . . . .                       | July 27 <sup>2</sup>                        | July 15   | Aug. 1                              |
| Dominican Republic . . . . .          | July 27                                     | July 15   | Aug. 1                              |
| Netherlands . . . . .                 | July 28                                     | July 15   | Aug. 1                              |
| New Zealand . . . . .                 | July 29                                     | July 15   | Aug. 1                              |
| Ecuador . . . . .                     | July 29                                     | July 15   | Aug. 1                              |
| El Salvador . . . . .                 | July 29                                     | July 15   | Aug. 1                              |
| Spain . . . . .                       | July 29                                     | July 15   | Aug. 1                              |
| Federal Republic of Germany . . . . . | July 30                                     | July 15   | Aug. 1                              |
| Belgium . . . . .                     | July 31                                     | July 15   | Aug. 1                              |
| Haiti . . . . .                       | July 31                                     | July 15   | Aug. 1                              |
| Austria . . . . .                     | July 31                                     | July 15   | Aug. 1                              |
| Greece . . . . .                      | July 31                                     | July 15   | Aug. 1                              |
| Union of South Africa . . . . .       | Aug. 1                                      | July 15   | Aug. 1                              |

| Country                         | Date of deposit of instrument of acceptance | Date of deposit of instrument of accession | Date of entry into force for parts 1, 3, 4, and 5 |
|---------------------------------|---|--|---|
|                                 | 1953  | 1953                                       | 1953  |
| Nicaragua . . . . .             | Sept. 11                                    |  | Sept. 11  |
| Jordan . . . . .                |   | Sept. 17                                   | Sept. 17  |
| State of Vatican City . . . . . |   | Sept. 30                                   | Sept. 30  |
| Venezuela . . . . .             | Oct. 14                                     |  | Oct. 14   |
| Saudi Arabia . . . . .          | Oct. 19                                     |  | Oct. 19   |
| Lebanon . . . . .               | Oct. 29                                     |  | Oct. 29   |
| Australia . . . . .             | Oct. 31                                     |  | Oct. 31   |
| Liberia . . . . .               | Dec. 3                                      |  | Dec. 3  |
| Mexico . . . . .                | Dec. 30                                     |  | Dec. 30   |
| Panama . . . . .                | Dec. 31                                     |  | Dec. 31   |
| Korea . . . . .                 |   | Dec. 31                                    | Dec. 31   |

<sup>1</sup> As of Mar. 19, 1954.

<sup>2</sup> Instrument of ratification includes a statement.

## Current U.N. Documents: A Selected Bibliography<sup>1</sup>

### Security Council

Report by the Chief of Staff of the Truce Supervision Organization to the Security Council pursuant to the Council's Resolution of 24 November 1953 (S/3139/Rev. 2). S/3183. 15 pp. mimeo.

Letter Dated 15 February 1954 from the Permanent Representative of Israel Addressed to the President of the Security Council. S/3179, February 15, 1954. 6 pp. mimeo.

Exchange of Correspondence Between the Secretary-General and the Governments of the Hashemite Kingdom of the Jordan and Israel Regarding the Convocation of a Conference Under Article XII of the General Armistice Agreement. S/3180, February 19, 1954. 19 pp. mimeo.

### General Assembly

The Promotion of Permanent Solutions for the Problems of Refugees who are within the Competence of the United Nations High Commissioner for Refugees. A/AC.36/32. January 29, 1954. 22 pp. mimeo.

The Situation of the United Nations Refugee Emergency Fund. A/AC.36/31, January 29, 1954. 15 pp. mimeo.

United Nations Conciliation Commission for Palestine. Thirteenth Progress Report (for the period from 28 November 1952 to 31 December 1953). A/2629, January 4, 1954. 11 pp. mimeo.

The Korean Question. Cablegram Dated 9 January 1954 from the Minister for Foreign Affairs of the Central People's Government of the People's Republic of China, Addressed to the Secretary-General. A/2632, January 11, 1954. 8 pp. mimeo.

The Korean Question. Cablegram dated 11 January 1954 from the Minister for Foreign Affairs of the Democratic People's Republic of Korea. A/2633, January 14, 1954. 7 pp. mimeo.

The Korean Question. Communication dated 10 January 1954, addressed to the President of the General Assembly by the Government of India. A/2634, January 18, 1954. 4 pp. mimeo.

Reconvening of the Eighth Session of the General Assembly. Note by the Secretary-General. A/2635, January 31, 1954. 22 pp. mimeo.

The Korean Question. Cablegram dated 29 January 1954 from the Minister for Foreign Affairs of the Central People's Government of the People's Republic of China. A/2636, January 29, 1954. 12 pp. mimeo.

Third Report on the Regime of the Territorial Sea. A/CN.4/77, February 4, 1954. 17 pp. mimeo.

Peace Observation Commission. Balkan Sub-Commission. Eighth Periodic Report of the United Nations Military Observers in Greece. A/CN.7/SC.1/53, January 13, 1954. 13 pp. mimeo.

### Economic and Social Council

Annotations of Items on the Provisional Agenda for the Seventeenth Session of the Economic and Social Council. E/L.575, January 25, 1954. 8 pp. mimeo.

<sup>1</sup> Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

## International Organizations and Conferences

### Calendar of Meetings<sup>1</sup>

#### Adjourned during March 1954

|  |                           |                 |
|--|---------------------------|-----------------|
| U.N. Petitions Committee (Trusteeship Council)   | New York                  | Jan. 12-Mar. 5  |
| International Exhibition on Low-Cost Housing   | New Delhi                 | Jan. 20-Mar. 5  |
| U.N. Trusteeship Council: 13th Session   | New York                  | Jan. 28-Mar. 25 |
| U.N. Standing Committee on Administrative Unions (Trusteeship Council)                           | New York                  | Feb. 8-Mar. 5   |
| FAO Working Party of Experts on Agricultural Surpluses   | Washington                | Feb. 23-Mar. 18 |
| ILO Governing Body: 124th Session  | Geneva                    | Feb. 27-Mar. 13 |
| Tenth Inter-American Conference  | Caracas                   | Mar. 1-28       |
| UNICEF Executive Board and Program Committee   | New York                  | Mar. 1-12       |
| U.N. ECAFE Third Regional Conference of Statisticians  | New Delhi                 | Mar. 1-13       |
| International Exposition in Bogotá   | Bogotá                    | Mar. 1-21       |
| U.N. High Commissioner for Refugees: 4th Session of Advisory Committee                           | Geneva                    | Mar. 2-3        |
| International Cinema Festival  | Mar del Plata (Argentina) | Mar. 6-16       |
| U.N. Economic Commission for Europe: 9th Session   | Geneva                    | Mar. 9-25       |
| U.N. Technical Assistance Committee  | New York                  | Mar. 15-24      |
| Wmo Eastern Caribbean Hurricane Committee of Regional Association IV (North and Central America) | Port-of-Spain (Trinidad)  | Mar. 24-26      |

#### In Session as of March 31, 1954

|   |          |          |
|---|----------|----------|
| ICAO Council: 21st Session                              | Montreal | Feb. 2-  |
| U.N. Human Rights Commission: 10th Session              | New York | Feb. 23- |
| ICAO Communications Division: 5th Session               | Montreal | Mar. 9-  |
| UNESCO Executive Board: 37th Session                    | Paris    | Mar. 10- |
| Panama International Commercial Exposition              | Colón    | Mar. 20- |
| U.N. Commission on the Status of Women: 8th Session     | New York | Mar. 22- |
| Seventh International Film Festival                     | Cannes   | Mar. 25- |
| FAO Technical Meeting on Forest Grazing                 | Rome     | Mar. 29- |
| U.N. Economic and Social Council (Ecosoc): 17th Session | New York | Mar. 30- |

#### Scheduled April 1-June 30, 1954

|   |                          |          |
|---|--------------------------|----------|
| Second Meeting of the Provisional Committee of the Pan American Highway Congress                      | Washington               | Apr. 5-  |
| U.N. Statistical Commission: 8th Session  | Geneva                   | Apr. 5-  |
| Caribbean Trade Promotion Conference  | Port-of-Spain (Trinidad) | Apr. 6-  |
| Joint ILO/WHO Committee on the Hygiene of Seafarers: 2d Session                                       | Geneva                   | Apr. 9-  |
| Second International Congress on Irrigation and Drainage  | Algiers                  | Apr. 12- |
| International Trade Fair of Milan   | Milan                    | Apr. 12- |
| U.N. Commission on Narcotic Drugs: 9th Session  | New York                 | Apr. 19- |
| ICEM Ad Hoc Committee on Permanent Staff Regulations  | Geneva                   | Apr. 20- |
| ICAO Conference on Coordination of European Air Transport   | Strasbourg               | Apr. 21- |
| Fourth International Congress of Prehistoric and Protohistoric Sciences                               | Madrid                   | Apr. 21- |
| UNESCO Intergovernmental Conference on Protection of Cultural Property in the Event of Armed Conflict | The Hague                | Apr. 21- |
| PASO Executive Committee: 22d Meeting   | Washington               | Apr. 22- |
| ICEM Finance Subcommittee: 5th Session  | Geneva                   | Apr. 23- |
| NATO: Ministerial Meeting of the North Atlantic Council   | Paris                    | Apr. 23- |
| Lyon International Fair   | Lyon                     | Apr. 24- |
| Korean Political Conference   | Geneva                   | Apr. 26- |
| Intergovernmental Committee for European Migration: 7th Session                                       | Geneva                   | Apr. 26- |
| International Conference on Oil Pollution of the Sea and Coasts                                       | London                   | Apr. 26- |
| International Exhibition of Industry  | Tehran                   | May 1-   |
| UPU Meeting of the Executive and Liaison Committee  | Lucerne                  | May 3-   |

<sup>1</sup> Prepared in the Division of International Conferences Mar. 24, 1954. Asterisks indicate tentative dates and locations. Following is a list of abbreviations: UN—United Nations; FAO—Food and Agriculture Organization; ILO—International Labor Organization; UNICEF—United Nations Children's Fund; ECAFE—Economic Commission for Asia and the Far East; Ecosoc—Economic and Social Council; WMO—World Meteorological Organization; ICAO—International Civil Aviation Organization; UNESCO—United Nations Educational, Scientific and Cultural Organization; WHO—World Health Organization; ICEM—Intergovernmental Committee for European Migration; PASO—Pan American Sanitary Organization; NATO—North Atlantic Treaty Organization; UPU—Universal Postal Union; ITU—International Telecommunication Union; ECE—Economic Commission for Europe; CIGRE—Conference Internationale des Grands Réseaux Electriques.

**Scheduled April 1-June 30, 1954—Continued**

|  |                                     |           |
|--|-------------------------------------|-----------|
| International Rubber Study Group: 11th Meeting . . . . .   | Colombo . . . . .                   | May 3-    |
| U.N. International Law Commission: 6th Session . . . . .   | Geneva . . . . .                    | May 3-    |
| U.N. ECAFE Inland Waterways Subcommittee: 2d Session . . . . .   | Saigon . . . . .                    | May 3-    |
| Seventh Assembly of the World Health Organization . . . . .  | Geneva . . . . .                    | May 4-    |
| International Sugar Council: 2d Session . . . . .  | London . . . . .                    | May 5-    |
| American International Institute for the Protection of Childhood:<br>Annual Meeting of Directing Council.  | Montevideo . . . . .                | May 10-   |
| ILO Salaried Employees and Professional Workers Committee: 3d<br>Session.                                  | Geneva . . . . .                    | May 10-   |
| Icao Special Middle East Regional Communications Meeting . . . . .   | Island of Rhodes (Greece) . . . . . | May 11-   |
| U.N. Conference on Customs Formalities for Temporary Importa-<br>tion of Private Vehicles and for Tourism. | New York . . . . .                  | May 11-   |
| Electric High Tension Systems (CIGRE), International Conference<br>on: 15th Session.                       | Paris . . . . .                     | May 12-   |
| International Fair of Navigation . . . . .   | Naples . . . . .                    | May 15-   |
| FAO Mechanical Wood Technology: 3d Conference . . . . .  | Paris . . . . .                     | May 17-   |
| U.N. ECAFE Regional Conference on Water Resource Development   | Tokyo . . . . .                     | May 17-   |
| Caribbean Commission: 18th Meeting . . . . .   | Belize (British Honduras) . . . . . | May 19-   |
| ILO Governing Body: 125th Session . . . . .  | Geneva . . . . .                    | May 24-   |
| WHO Executive Board: 14th Meeting . . . . .  | Geneva . . . . .                    | May 27-   |
| International Cotton Advisory Committee: 13th Plenary Meeting . . . . .                                    | Sao Paulo . . . . .                 | May 29-   |
| Eleventh International Ornithological Congress . . . . .   | Basel . . . . .                     | May 29-   |
| Tenth International Congress of Agricultural and Food Industries . . . . .                                 | Madrid . . . . .                    | May 30-   |
| FAO Technical Advisory Committee on Desert Locust Control . . . . .  | Rome . . . . .                      | May-      |
| Icao Assembly: 8th Session . . . . .   | Montreal . . . . .                  | June 1-   |
| ITU Administrative Council: 9th Session . . . . .  | Geneva . . . . .                    | June 1*-  |
| Fourteenth International Congress of Actuaries . . . . .   | Madrid . . . . .                    | June 2-   |
| ILO Conference: 37th Session . . . . .   | Geneva . . . . .                    | June 2-   |
| FAO Committee on Commodity Problems: 23d Session . . . . .   | Rome . . . . .                      | June 3-   |
| UNESCO Intergovernmental Conference of Experts on Cultural Rela-<br>tions and Conventions.                 | Paris . . . . .                     | June 8-   |
| Fifth Inter-American Travel Conference . . . . .   | Panama City . . . . .               | June 10-  |
| Fourth Annual Meeting of the International Commission for North-<br>west Atlantic Fisheries.               | Halifax . . . . .                   | June 14-  |
| U.N. ECE Conference on European Statisticians . . . . .  | Geneva . . . . .                    | June 14-  |
| U.N. Permanent Central Opium Board and Narcotic Drugs Super-<br>visory Body: 11th Joint Session.           | Geneva . . . . .                    | June 14-  |
| Icao Meteorology Division: 4th Session . . . . .   | Montreal . . . . .                  | June 15-  |
| Wmo Commission for Aeronautical Meteorology: 1st Session . . . . .   | Montreal . . . . .                  | June 15-  |
| UNESCO Seminar on Educational and Cultural Television Program<br>Production.                               | London . . . . .                    | June 27-  |
| U.N. Economic and Social Council (Ecosoc): 18th Session . . . . .  | Geneva . . . . .                    | June 29-  |
| ITU International Telegraph Consultative Committee (CCIT):<br>Study Group XI.                              | Geneva . . . . .                    | June 30-  |
| Arte Biennale, XXVIIth (International Art Exhibition). . . . .   | Venice . . . . .                    | June-Oct. |
| International Wheat Council: 15th Session . . . . .  | London* . . . . .                   | June-     |

**THE FOREIGN SERVICE**

**John P. Davies Case**

*News Conference Statement by Secretary Dulles*

Press release 153 dated March 23

The proper officials of the Department of State, after examining the voluminous record in the matter of John P. Davies, formulated a series of

questions to Mr. Davies, to which Mr. Davies has replied. On the basis of the information now at hand, I do not find it necessary to suspend Mr. Davies. There are some matters bearing upon reliability which are susceptible of conflicting interpretations and which seem to call for clarification by testimony under oath by Mr. Davies and others. In order to make this possible, I am asking that from the roster maintained by the Civil Service Commission a Security Hearing Board be designated to take testimony.

Such action as I have requested is taken on the assumption that Mr. Davies will voluntarily accept the jurisdiction of the Security Hearing Board.

Mr. Davies continues his assignment as Counselor of Embassy at Lima, Peru.

## Eighth Foreign Service Selection Boards Meet

Press release 155 dated March 23

The Eighth Foreign Service Selection Boards convened in Washington for their initial joint meeting on March 22. It is the responsibility of the three Boards to evaluate the performance of all members of the Foreign Service Officer Corps for purposes of promotion and selection-out.

The members and observers were welcomed and addressed by Gerald A. Drew, Director General of the Foreign Service; Scott McLeod, Administrator, Bureau of Inspection, Security and Consular Affairs; and George Wilson, Director of the Office of Personnel.

A list of the membership, together with the observers, for each of the three Boards follows:

1954

### EIGHTH FOREIGN SERVICE SELECTION BOARDS

#### Board A

John F. Simmons (Chair- FSO—Career Minister—man).  
 George H. Butler . . . . . FSO—Career Minister—Retired; former Ambassador to Dominican Republic  
 John J. Muccio . . . . . FSO—Career Minister—Deputy Chairman of the Inter-Departmental Committee on Relations with Panama  
 Raymond C. Miller . . . . . FSO—Career Minister—Chief, Foreign Service Inspection Corps  
 H. Hamilton Hackney . . . Former Judge, Baltimore City Juvenile Court  
 Oliver C. Short, L. H. D. . . Consultant on Personnel to the Assistant Secretary of Commerce for Administration

#### Observers

Department of Agriculture . Robert B. Schwenger, Special Assistant to the Assistant Administrator for Foreign Service and Trade Programs  
 Department of Commerce . Lester M. Carson, Associate Director, Projects and Technical Data Division, Office of Export Supply, Bureau of Foreign Commerce  
 Department of Labor . . . . James F. Taylor, Chief, Foreign Service Division, Office of International Labor Affairs

#### Board B

Arthur L. Richards (Chair- FSO—Director, Office of man).  
 Bernard Gufler . . . . . FSO—Foreign Service Inspector  
 Brewster H. Morris . . . . . FSO—Officer in Charge of German Political Affairs, Bureau of European Affairs  
 Charles W. Adair, Jr. . . . . FSO—NATO Adviser, Office of European Regional Affairs, Bureau of European Affairs  
 William H. G. FitzGerald . Vice President and Treasurer, Metallurgical Research and Development Company, Commander U.S.N., Retired  
 Asher Hobson . . . . . Professor of Agricultural Economics, University of Wisconsin

#### Observers

Department of Agriculture . C. E. Michelson, Assistant to the Assistant Administrator for Management  
 Department of Commerce . H. Douglas Keefe, Chief, Reporting Program and Review Section, Foreign Service Operations  
 Department of Labor . . . . Herman B. Eyer, Assistant Commissioner, Bureau of Labor Statistics

#### Board C

Richard W. Byrd (Chair- FSO—Department of State man).  
 Gordon H. Mattison . . . . FSO—Foreign Service Inspector  
 Fraser Wilkins . . . . . FSO—Policy Planning Staff  
 Byron E. Blankinship . . . FSO—Officer in Charge North Coast Affairs, Office of South American Affairs, Bureau of Inter-American Affairs  
 George T. Brown . . . . . Staff Member of the American Federation of Labor  
 James Sterling Murray . . Assistant to the President, Lindsay Light and Chemical Company

#### Observers

Department of Agriculture . Carlos Ortega, Agriculturalist, Division of International Agricultural Organizations  
 Department of Commerce . Grant Olson, Business Economist, European Division, Bureau of Foreign Commerce  
 Department of Labor . . . . Margaret Sheridan, Department of State Liaison Officer, Foreign Service Division, Office of International Labor Affairs

## International Copyright Protection

*Statement by Thorsten V. Kalijarvi  
Acting Assistant Secretary for Economic Affairs<sup>1</sup>*

I am appearing in support of the identical bills H. R. 6616 and H. R. 6670. This proposed measure to amend the Copyright Act was forwarded to the Congress last summer by the Secretary of State as implementing legislation for the Universal Copyright Convention, which is now before the Senate for its advice and consent to ratification. A companion Senate bill, S. 2559, identical with those before you, is before the Senate Judiciary Committee.

### Background

I should like first to comment on our present outgrown and inadequate arrangements for international copyright protection. I shall then summarize the benefits to be derived from the Universal Copyright Convention, which, I am gratified to say, has elicited enthusiastic support throughout the United States from all those interested in copyright protection abroad.

During the past 75 years there has been a virtually complete transformation in the position occupied by the United States in the literary, scientific, and creative fields. From a pioneer nation, importing far more than it exported in the way of books, music, and other copyrightable materials, we have grown to a position of prestige and leadership in this important cultural field. American novels and technical books are in constant demand throughout the world, and our music and movies are enjoyed everywhere.

This rapid growth in American literary, musical, and artistic creation and its international recognition has sharply accentuated the need for improved copyright protection abroad for American works. It is apparent, however, that the legal bases on which such protection can be established are not adequately supplied by our present framework of international arrangements. The Department believes that these needs can be fully

met by adherence to the Universal Copyright Convention. It is for this reason that the Secretary of State and the President have urged its ratification.

Our present system of international copyright protection stems from legislation adopted shortly before 1900. Before that time, we had no international arrangements for this purpose. Our paramount need had been to obtain free access to foreign works. Protection of American works abroad was sketchy and piracy of foreign works here was rampant. This legislation permitted the United States to begin the establishment of a series of bilateral arrangements. This scheme of bilaterals, as modified through the years, represents the principal foundation for our international copyright relations. Reduced to its simplest terms, our present law provides that the United States will extend copyright protection to the nationals of a foreign state when such state grants to United States citizens copyright protection on substantially the same basis as to its own citizens. The law requires that in each case the President determine by means of a proclamation that the necessary reciprocal conditions exist. To form a basis for the issuance of the proclamation, the State Department usually negotiates an exchange of diplomatic notes to obtain the assurances of the foreign state that it is granting "national treatment" to citizens of the United States.

This bilateral system is not only complicated and cumbersome but offers inadequate foreign protection to our nationals. Each arrangement requires separate time-consuming negotiations. In addition, whenever the law in the foreign country is changed, the arrangement must be reviewed and new negotiations as well as the issuance of a new proclamation may become necessary. The protection which it would provide our citizens, if they had to rely solely upon it, would be ineffective and costly. In order for an American national to obtain protection abroad under this system, he would have to know and comply with a large number of technical requirements in the different countries in

<sup>1</sup> Made on Mar. 15 before Subcommittee No. 3 of the Committee on the Judiciary of the House of Representatives (press release 132).

which he desires protection, which would generally make acquisition of protection on a broad basis an impractical proposition.

It is fortunate for those Americans interested in copyright protection abroad that nearly 40 countries of the free world are members of the Bern convention of 1886. The United States has not been able to join the Bern convention because some of its basic provisions are incompatible with the United States legal concepts of copyright. Americans have been able to enjoy the multilateral protection of the Bern convention by entering what is called the "side door" of the convention. To illustrate, an American publisher can get protection for a new book in all Bern countries by issuing it in London or Toronto at the same time he does so in New York. In effect the book gets protection as a British or Canadian work.

However, there is widespread fear among copyright circles in this country that, if our copyright relationships are not strengthened, this side door will be closed to American authors. Indeed, provisions of this convention permitting its members to limit or deny convention protection to nationals of nonconvention countries have recently been strengthened. It is the Department's belief that the reason no action has so far been taken under these provisions is the pendency of the new Universal Copyright Convention.

In addition to the uncertain status of this side door approach to protection in most of the major countries, there are other respects in which our copyright relations are unsatisfactory. There are many countries in which we desire protection, which are not members of Bern and which under their law grant comparatively little protection to foreign works. Many of these countries are underdeveloped ones which feel a need for making available to their nationals in their native tongues foreign writings and culture. Special provisions have been included in the Universal Copyright Convention to meet this problem and to encourage the adherence of such countries. It is to be noted, as the Secretary of State pointed out in his report on the convention,<sup>2</sup> that some of these free-world countries are in areas of the world bordering on the Soviet bloc in which Communist propaganda has its greatest impact. Improving our copyright relations with such countries would be of significant importance as a means of stimulating the flow of books and other educational media to them from the rest of the free world.

In the light of this situation, it can be fully appreciated why there has been such strong support in the United States for a multilateral convention in which the United States could participate, which would cement our relations in this field with the rest of the free world.

<sup>2</sup> S. Exec. M, 83d Cong., 1st sess., p. 2.

#### Development of the Convention

The development of the Universal Copyright Convention began shortly after the war. It is the result of careful and thorough preparatory work. From 1947 to 1951 a series of experts meetings was held to shape the broad outlines of the convention. The people who participated in this preparatory work were outstanding copyright specialists from a number of countries, drawn largely from the legal profession. In the United States, this preparatory work was closely coordinated with the copyright bar and other representatives of interested groups as well as committees of the various bar associations.

Finally, after extensive consultations with governments, a draft was laid before the intergovernmental negotiating conference held at Geneva in the summer of 1952, which adopted the final document as transmitted by the President to the Senate for its advice and consent to ratification. Many of the same specialists who had participated in the development work accompanied governmental representatives as members of delegations to this conference. The United States delegation was honored in having present in addition Representative Crumpacker and the former chairman of your subcommittee, the late Mr. Bryson. Fifty countries were present at the conference and 40 have signed the convention. Incidentally, no Soviet bloc country attended the conference or has shown any interest in adhering to the convention. I should like at this point to submit for the record the list of the countries which have signed the convention.<sup>3</sup>

Largely as a result of the thoroughness and care with which it was drafted, this instrument is a realistic, effective and relatively simple means of eliminating the unsatisfactory conditions which presently prevail and of increasing the scope and effectiveness of our international copyright relations. Basically the convention provides for the granting of national treatment. From the standpoint of the United States author, it would provide him with a permanent and secure basis for foreign copyright protection and a simple procedure for attaining this protection. He would receive a higher standard of protection than is presently afforded under the laws of some of the less developed countries in such matters as the number of years of protection and the conditions under which translations of his work are made into local language. He would be freed of the formal requirements which burden him under the bilateral system. When his work was published

<sup>3</sup> Following are the signatories to the convention: Andorra, Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Cuba, Denmark, El Salvador, Finland, France, Germany, Guatemala, Haiti, Holy See, Honduras, India, Ireland, Israel, Italy, Japan, Liberia, Luxembourg, Mexico, Monaco, Netherlands, Nicaragua, Norway, Peru, Portugal, San Marino, Spain, Sweden, Switzerland, United Kingdom, United States, Uruguay, and Yugoslavia.

in this country with a copyright notice on it, it would automatically receive protection in all the other countries which are members of the convention.

### The Implementing Legislation

The Universal Convention is, by its terms, what is generally called non-self-executing. Legislation by both Houses of Congress is needed in order to make such changes in the United States law as are necessary to implement the convention. The bills before you would, with very minor exceptions, make only such changes in the Copyright Law as are necessary to bring it into full conformity with the terms of the convention. The proposed legislation has been drafted with a view to making the changes applicable only to foreign countries which join the convention, and it would not come into effect until the convention enters into force with respect to the United States.

These changes would have the effect of exempting works of authors of convention countries or works first published there from certain formal provisions of the United States Copyright Law, and of modifying the requirements for notice of reservation of copyright. I wish to comment on only one of these changes—that relating to the manufacturing requirement. Experts in the field of copyright who will follow me will discuss the remainder.

This so-called manufacturing clause means in effect that a foreign author writing in English can only obtain 5 years copyright protection in this country unless his book is printed here.

Such a provision would not be too surprising in the law of an underdeveloped country, but it is incongruous in the light of our present economic position in this field. It is a carryover from the days in the late 1800's when book manufacturing in this country was an infant industry. Now, however, we are a major exporter of printed materials. For example, in 1953 our exports of books alone totaled over 24 million dollars—well over twice the level of book imports.

The negotiation of the convention involved considerable give and take in view of the differing systems of copyright which it must bridge. A number of countries, particularly the English-speaking ones, made it clear to us during the negotiations that one of the things they insisted upon from us was modification of the manufacturing clause with respect to ratifying countries. They pointed out that they have been giving full protection to American works and are receiving only a very limited protection in return. We have felt and continue to feel that their point of view has considerable justification if we are to expect to receive the protection from them which would be provided by the convention.

The modification of the manufacturing clause which is now being proposed is different in essen-

tial aspects from previous bills to eliminate the clause to which consideration has been given by this Committee. The bills before you would waive the manufacturing clause only as to foreign states which adhere to the convention and would not become effective as to them until they had done so. Thus, in waiving the manufacturing clause as to these countries, we would receive in each case a substantial *quid pro quo* in the form of better copyright protection. Not only would this improve the position of all creators and users of copyrighted material, but it would have the very important additional effect of contributing significantly to the maintenance and strengthening of our growing foreign market for books and similar materials.

No change in the manufacturing clause is, of course, contemplated to permit American authors to have their books printed abroad in quantity, and no change would be made as to countries not joining the convention.

### Support for Multilateral Convention

As I have indicated previously, for a great many years people in this country interested in improved copyright protection abroad have been convinced that the best solution for the difficulties that presently beset the field of copyright is participation in a multilateral convention which could be adhered to by most of the free world. I believe the importance of this convention from the United States standpoint is amply attested to by the widespread support which it has among authors, composers, songwriters, and all the creative artists, as well as among those who constitute the media for public dissemination of their creations—book and music publishers, and the radio, television, and motion-picture industries. It has in addition the endorsement of committees of the leading bar associations and of the American Bar Association itself.

In addition to its importance in establishing satisfactory copyright protection abroad for United States nationals, acceptance of this convention would materially improve our general foreign relations with the rest of the free world. This is so because this action would have a highly favorable impact on the intellectual and cultural groups of other countries, particularly in Western Europe. The successful negotiation of the convention has been hailed in Europe as the beginning of a new era in improved cultural relations.

In order that our citizens may have the full benefits of copyright in foreign markets, and that the United States may assume a position of leadership in the field of international copyright, the Department wholeheartedly recommends the enactment of this legislation.



Approved For Release 2003/03/25 : CIA-RDP60-00442R000100140003-6

## Sale of Vessels to Brazil for Coastwise Shipping Recommended

*Statement by Robert F. Woodward<sup>1</sup>*

... The Secretary of State in his letter of July 1, 1953, to the Speaker of the House set forth the reasons why the Department believed that such legislation was necessary. The bill authorizes the sale of not more than 12 CI-MAV-1 type merchant vessels to Brazil for use in the coastwise trade to Brazil. The CI-MAV-1 type vessel was designed for coastal operations.

The United States in cooperation with the Government of Brazil established in 1950 a Joint Brazil-United States Economic Development Commission, under congressional authorization given by Public Law 535, the Act for International Development, to assist Brazil in its development planning and economic rehabilitation. One of the projects which this Commission recommended was the improvement of Brazil's coastal shipping. The sale of the vessels covered by this bill would not only assist in the economic rehabilitation of Brazilian coastal shipping but would promote our own national interest. The rehabilitation of Brazil's coastal shipping service is vital to Brazil's internal economy, and since Brazil is a traditional and important South American ally of the United States, its improved economic strength should add to the defense potential of the Western Hemisphere.

Moreover, it may be pointed out that President Vargas of Brazil has personally requested U.S. cooperation in permitting Brazil to purchase coastwise vessels from our laid-up fleet of war-built vessels.

Brazil under the Ships Sales Act of 1946 purchased 12 vessels of the same type specified in this bill and has continually indicated an interest since that time in obtaining more vessels of this type. In view of their experience with this type of ship, which has been used principally in coastal operations, it is the intention of the Brazilian Government to add the vessels covered by this bill to its coastal fleet.

Coastwise shipping is a vital link in Brazil's transportation system because of its extensive coastline, population concentration on the coast, the lack of adequate highway and railroad systems. Brazil's internal economic progress depends to a large extent upon improving its inadequate coastwise shipping fleet, which now contains many vessels from 40 to 60 years old. An efficient coastwise transport system should promote trade

among the various regions. The objective of the Joint Commission's coastal shipping program has been to provide Brazil with an efficient, well-regulated coastal shipping service which can meet the bulk freight demands of the expanding Brazilian economy. This objective has not as yet been achieved. The lack of adequate transport, therefore, results in low production, and this, in turn, is partially responsible for the lack of transport. The logical way to correct this situation is to assist Brazil in obtaining more efficient means of coastal transportation.

The Joint Commission in making its recommendations in its rehabilitation of the Brazilian coastal fleet made the following comments:

Anyone who glances at a map can see that the Brazilian economy is still largely made up of isolated areas scattered along the coast. Some, it is true, penetrate to a considerable depth but in general the situation is this and it is clear that the cheapest and best means of distribution should be by water. Indeed, in many instances distribution still has to be by water. Apart from the air transport companies, shipping has no real competition between North and South, and there are only weak rail and road connections between the Central, Southern and North Eastern regions.

Coastal shipping is, at present, the only truly efficient national transportation system in Brazil, linking the southern, central, and northern regions, and in many cases is the only existing connection between the various regions.

Brazil has remained more dependent upon coastal shipping in interstate commerce than most nations of continental dimensions. This is borne out by the fact that coastal shipping carried 45 percent of the total interstate commerce tonnage between 18 major political units (17 states and federal districts) which possess in Brazil ocean ports.

According to the Joint Brazil-United States Economic Development Commission report, eight states, six northern and two southern, with a population of over 20 million, depend upon coastal shipping to carry between 74 and 99 percent of their total interstate commerce. These are the states in which coastal shipping has an absolute advantage, due either to the complete lack of competitive means of transport or the poor condition of that which does exist.

The states in the North (Pará, Amazonas, Maranhao, Ceará, Bahia, and Rio Grande de Norte) are most dependent upon coastal shipping, followed by the southern states of Santa Catarina and Rio Grande do Sul.

As to the composition by commodity of Brazil's coastal shipping traffic, the Joint Brazil-United States Economic Development Commission reported that the basic role of coastal shipping in the transportation system of Brazil is a carrier of bulk raw materials and foodstuffs. Approximately 55 percent of the total tonnage carried by coastal ships consists of primary raw materials, 35 percent of foodstuffs, and the remaining 10 percent of manufactured items.

<sup>1</sup> Made in support of H. R. 6317 before the Merchant Marine and Fisheries Committee of the House of Representatives on Mar. 24 (press release 158). Mr. Woodward, Deputy Assistant Secretary for Inter-American Affairs, testified as Acting Assistant Secretary.

The 10 major commodities in Brazilian coastal trade in terms of volume are, in descending order: salt, coal, sugar, lumber, wheat, flour, rice, manioc flour, wood manufactures, beverages and iron and steel manufactures.

Brazil's coastal shipping is largely concentrated upon the transportation of bulk raw materials from the North and the South to the consuming and manufacturing centers of Rio and São Paulo, and conversely transporting a smaller volume of manufactured items from these centers to both the North and the South. The second major function is the transportation of foodstuffs such as wheat, rice, manioc, beans, and charque (jerked beef) from the southern producing regions to the central and northern consuming areas.

The present Brazilian coastal fleet is composed of 307 vessels of 609,000 dead weight tons. Over 25 percent of the total tonnage is above 40 years of age, and approximately 40 percent is more than 30 years. The Brazilian coastal fleet is primarily composed of obsolete vessels, and newer, small, converted landing vessels. Less than 30 ships may be considered as large, modern, efficient vessels specifically designed for the coastal trade.

The fleet described above must serve a coastline over 5,500 miles long with 33 major, and many smaller, ports. There is no competitive transportation between the northern and southern extremities of the coastline and only fair road and rail communication between the central southern and northeastern regions.

The bill under discussion provides that every vessel sold and transferred shall be subject to an agreement by the Government of Brazil that the vessels whether under mortgage to the United States or not shall not engage in international trade or in other than the coastwise trade of Brazil. Moreover, United States ships cannot operate in the Brazilian coastal trade since Brazil has coastal laws similar to ours in that regard. Consequently, such vessels will not be in competition with vessels operated by United States shipping lines operating to Brazil.

As I have indicated, the sale of these vessels as authorized by this legislation would contribute to the economic development of Brazil, serve the foreign policy of the United States by strengthening and helping to unify a friendly country in this hemisphere, and cannot adversely affect the American Merchant Marine.

## Current Legislation

### 83d Congress: 2d Session

- Overseas Information Programs of the United States. Final Report of the Committee on Foreign Relations Pursuant to the Provisions of S. Res. 74, 82d Congress, 2d Session; S. Res. 44, 83d Congress, 1st Session, and S. Res. 117, 83d Congress, 1st Session, as Extended. S. Rept. 936, February 10 (legislative day, February 8), 1954, 6 pp.
- Mexican Farm Labor. Hearings before the House Committee on Agriculture on H. J. Res. 355. February 3, 5, 8, 9, 10, and 11, 1954, Serial V, 239 pp.
- Mexican Agricultural Workers. Report to accompany H. J. Res. 355. H. Rept. 1199, February 12, 1954, 9 pp.
- Certain Cases in Which the Attorney General Has Suspended Deportation. Report to accompany S. Con. Res. 60. S. Rept. 940, February 15 (legislative day, February 8), 1954, 2 pp.
- Certain Cases in Which the Attorney General Has Suspended Deportation. Report to accompany S. Con. Res. 61. S. Rept. 941, February 15 (legislative day, February 8), 1954, 2 pp.
- East-West Trade. Hearing before the Subcommittee on Foreign Economic Policy of the House Committee on Foreign Affairs. February 16, 1954, III, 40 pp.
- Atomic Energy Act of 1946. Message from the President of the United States Transmitting Recommendations Relative to the Atomic Energy Act of 1946. H. Doc. 328, February 17, 1954, 8 pp.
- Proposed Supplemental Appropriation to Pay Claims for Damages, Audited Claims, and Judgments Rendered Against the United States. Communication from the President of the United States Transmitting a Proposed Supplemental Appropriation to Pay Claims for Damages, Audited Claims, and Judgments Rendered Against the United States, as Provided by Various Laws, in the Amount of \$5,500,707, Together With Such Amounts as May Be Necessary to Pay Indefinite Interest and Costs and to Cover Increases in Rates of Exchange as May Be Necessary to Pay Claims in Foreign Currency. H. Doc. 329, February 17, 1954, 67 pp.
- Authorizing the Admission for Instruction at the United States Military and Naval Academies of Citizens of the Kingdoms of Thailand and Belgium. Report to accompany S. J. Res. 34. H. Rept. 1211, February 17, 1954, 6 pp.
- Continuation of Mexican Farm Labor Program. Report to accompany S. J. Res. 121. S. Rept. 985, February 17 (legislative day, February 8), 1954, 3 pp.
- The Problem of the Veto in the United Nations Security Council, Staff Study No. 1, Subcommittee on the United Nations Charter of the Senate Committee on Foreign Relations. February 19, 1954, 23 pp.
- The St. Lawrence Seaway. Report of the House Committee on Public Works on S. 2150, a Bill Providing for Creation of the St. Lawrence Seaway Development Corporation to Construct Part of the St. Lawrence Seaway in United States Territory and for Other Purposes. H. Rept. 1215, February 19, 1954, 121 pp.

April 5, 1954

## Index

Vol. XXX, No. 771

|   |     |
|---|-----|
| <b>Brazil.</b> Sale of Vessels to Brazil for Coastwise Shipping Recommended (Woodward) . . . . .  | 533 |
| <b>Canada.</b> U.S. and Canada Examine Common Economic Problems (text of joint communique) . . . . .  | 511 |
| <b>Congress, The</b>  |     |
| Current Legislation . . . . .   | 534 |
| International Copyright Protection (Kalljarvi) . . . . .  | 530 |
| The International Educational Exchange Program (12th semiannual report) . . . . .   | 499 |
| <b>Credence, Letters of.</b> Paraguay (Velloso) . . . . .   | 511 |
| <b>Economic Affairs</b>   |     |
| Sale of Vessels to Brazil for Coastwise Shipping Recommended (Woodward) . . . . .   | 533 |
| U.S. and Canada Examine Common Economic Problems (text of joint communique) . . . . .   | 511 |
| <b>Educational Exchange.</b> The International Educational Exchange Program (12th semiannual report) . . . . .                                  | 499 |
| <b>Foreign Service</b>  |     |
| John P. Davies Case (Dulles) . . . . .  | 528 |
| Eighth Foreign Service Selection Boards Meet . . . . .  | 529 |
| <b>Germany</b>  |     |
| Allied Efforts To Restore Freedom of Movement in Germany (texts of correspondence) . . . . .  | 508 |
| "Sovereignty" of East Germany (White) . . . . .   | 511 |
| <b>Indochina.</b> U.S. Views on Situation in Indochina (Dulles) . . . . .   | 512 |
| <b>International Information.</b> International Copyright Protection (Kalljarvi) . . . . .  | 530 |
| <b>International Organizations and Meetings.</b> Calendar of Meetings . . . . .   | 527 |
| <b>Japan.</b> U.S. and Japan Sign Mutual Defense Assistance Agreement (texts of joint communique, statement, and agreement) . . . . .           | 518 |
| <b>Military Affairs.</b> U.S. Views on Situation in Indochina (Dulles) . . . . .  | 512 |
| <b>Mutual Security.</b> U.S. and Japan Sign Mutual Defense Assistance Agreement (texts of joint communique, statement, and agreement) . . . . . | 518 |
| <b>Paraguay.</b> Ambassador to U.S. (Velloso) . . . . .   | 511 |
| <b>Protection of Nationals and Property.</b> Allied Efforts To Restore Freedom of Movement in Germany (texts of correspondence) . . . . .       | 508 |

|   |               |
|---|---------------|
| <b>Treaty Information</b>   |               |
| Current Actions . . . . .   | 525           |
| International Copyright Protection (Kalljarvi) . . . . .  | 530           |
| U.S. and Japan Sign Mutual Defense Assistance Agreement (texts of joint communique, statement, and agreement) . . . . . | 518           |
| <b>United Nations.</b> Current U.N. Documents . . . . .   | 526           |
| <i>Name Index</i>   |               |
| Allison, John M . . . . .   | 518           |
| Conant, James B . . . . .   | 508           |
| Davies, John P . . . . .  | 528           |
| Dengin, Sergei . . . . .  | 508           |
| Dulles, Secretary . . . . .   | 499, 512, 528 |
| Kalljarvi, Thorsten V . . . . .   | 530           |
| Murphy, Robert . . . . .  | 513           |
| Semenov, Vladimir . . . . .   | 508           |
| Timberman, Thomas S . . . . .   | 508           |
| Velloso, Guillermo Enciso . . . . .   | 511           |
| White, Lincoln . . . . .  | 511           |
| Woodward, Robert F . . . . .  | 533           |

### Check List of Department of State Press Releases: March 22-28

Releases may be obtained from the News Division, Department of State, Washington 25, D. C. Press releases issued prior to March 22 which appear in this issue of the BULLETIN are Nos. 117 and 119 of March 8, 132 of March 15, 143 of March 17, and 146 of March 18.

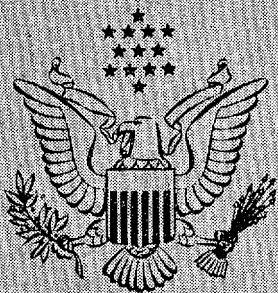
| No.  | Date | Subject                                  |
|------|------|--|
| *150 | 3/22 | Radio discussions with Mexico            |
| †151 | 3/22 | Trade relations with Philippines         |
| †152 | 3/23 | Wheat to Afghanistan                     |
| 153  | 3/23 | Dulles: John P. Davies case              |
| 154  | 3/23 | Dulles: Indochinese situation            |
| 155  | 3/23 | Foreign Service Selection Boards         |
| †156 | 3/23 | Convictions in illegal arms case         |
| †157 | 3/24 | Claims against Cuban Government          |
| 158  | 3/24 | Woodward: Sale of vessels                |
| *159 | 3/24 | Summary of Exchange Program report       |
| †160 | 3/24 | Exchange Advisory Commission report      |
| †161 | 3/25 | Note to Czechoslovakia                   |
| 162  | 3/26 | Paraguay: Letters of credence (re-write) |
| †163 | 3/26 | Soviet lend-lease vessels                |
| †164 | 3/26 | Patterson: U.N. Day Committee            |

\*Not printed.

† Held for a later issue of the BULLETIN.

April 5, 1954

## THE BERLIN CONFERENCE



# the Department of State

A meeting of the Foreign Ministers of the United States, France, the United Kingdom, and the Soviet Union, John Foster Dulles, Georges Bidault, Anthony Eden, and Vyacheslav Molotov, took place in Berlin between January 25 and February 18, 1954. The major problem facing the Berlin Conference was that of Germany. Two publications released in March record discussions at the Conference. . . .

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This 29-page pamphlet is based on statements made by John Foster Dulles, Secretary of State, at the Berlin meeting. It discusses the problem of German unity, Germany and European security, and the significance of the Berlin Conference.

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### ***Foreign Ministers Meeting — Berlin Discussions January 25–February 18, 1954***

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